THE PROVINCE OF MANITOBA

ANNUAL REPORT

FOR THE YEAR ENDED MARCH 31, 2015

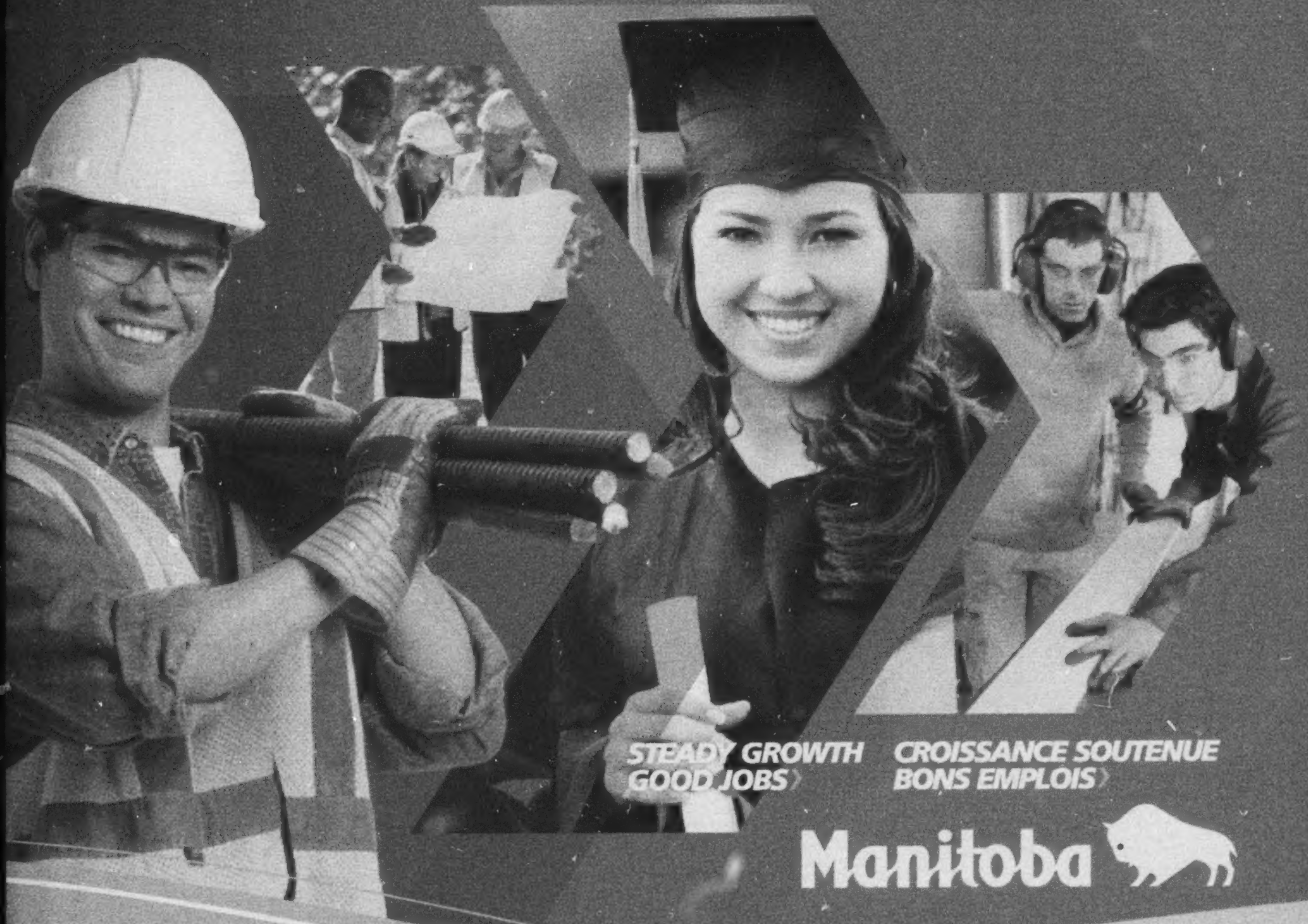
INCLUDES:
The Year End Review | Economic Report
Financial Statement Discussion and Analysis Report
Public Accounts – Volume 1

PROVINCE DU MANITOBA

RAPPORT ANNUEL

POUR L'EXERCICE TERMINÉ LE 31 MARS, 2015

SOMMAIRE :
Bilan de L'année | Rapport économique
Rapport d'analyse des états financiers
Volume 1 des comptes publics



Manitoba

MINISTER OF
FINANCE

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

Her Honour The Honourable Janice C. Filmon, C.M., O.M.
Lieutenant-Governor of the Province of Manitoba

May It Please Your Honour:

I have the privilege of presenting, for the information of Your Honour, the Annual Report of the Province of Manitoba for the year ended March 31, 2015. This document completes the government's accountability reporting for the year. The Report includes a review of the year's results relative to the government's budget. It also contains economic statistics and indicators of the financial health of the Province.

Included in this Annual Report is Volume 1 of the Public Accounts. The Public Accounts contain the summary financial statements of the government reporting entity and management's financial statement discussion and analysis report.

Honourable Greg Dewar
Minister of Finance

Office of the Minister of Finance
September 2015

MINISTER OF
FINANCE

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

Son Honneur Janice C. Filmon, P.C., O.M.
Lieutenante-gouverneure de la province du Manitoba

Votre Honneur,

J'ai le privilège de vous présenter, à titre informatif, le rapport annuel de la province du Manitoba pour l'exercice qui s'est terminé le 31 mars 2015. Ce document complète le compte rendu des activités du gouvernement pour cet exercice. Le rapport comprend une récapitulation des résultats de l'exercice par rapport au budget du gouvernement. Il contient également des statistiques économiques et des indicateurs de la santé financière de la province.

Ce rapport annuel inclut le Volume 1 des comptes publics. Les comptes publics contiennent les états financiers sommaires de l'entité comptable du gouvernement, ainsi que les commentaires et analyses de la direction à ce sujet.

Monsieur Greg Dewar
Ministre des Finances

Cabinet du ministre des Finances
Septembre 2015

TABLE OF CONTENTS	PAGE	TABLE DES MATIÈRES	PAGE
Year-End Review	7	Bilan de l'année	7
Economic Report	9	Rapport économique	9
Public Accounts - Volume 1		Volume 1 des comptes publics	
Financial Statement Discussion and Analysis Report	27	Rapport d'analyse des états financiers	27
Glossary of Key Terms	63	Glossaire de termes-clés	63
Summary Financial Statements	67	États financiers sommaires	67
Other Financial Reports	119	Autres rapports financiers	119

YEAR-END REVIEW

I am pleased to present the Province's Annual Report for the fiscal year ended March 31, 2015, that contains the financial statements for the year and reports of fiscal and economic performance.

Although the global economic recovery continues to be problematic, Manitoba's economy remained relatively stable throughout this fiscal year, reflecting its diversity.

Our summary financial statements show a net loss of $452 million for the year ended March 31, 2015. The required deferral of more than $100 million in disaster financial assistance funding from the Federal Government for the 2014/15 flood events as a result of a moratorium on Federal announcements due to the October 19, 2015 Federal election pushed our actual deficit beyond budget by $95 million for the year, and $28 millon more than third quarter projections. While tax revenues were lower than expected, better than expected results within the Province's reporting organizations had an offsetting positive impact on the bottom line for this fiscal year.

This annual report continues to provide accountability and transparency, and reports on key long-term indicators in the Financial Statement Discussion and Analysis section, as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

I am pleased to be able to provide Manitobans with these Summary results and our Government will continue to report on the objectives and results outlined in our annual Financial Management Strategy.

Respectfully submitted
Honourable Greg Dewar
Minister of Finance

BILAN DE L'ANNÉE

J'ai le plaisir de vous présenter le rapport annuel de la Province pour l'exercice financier qui s'est terminé le 31 mars 2015 et qui contient les états financiers pour cet exercice ainsi que les rapports sur les résultats financiers et économiques de la province.

Malgré les problèmes persistants qui entravent la reprise économique mondiale, l'économie du Manitoba est demeurée relativement stable tout au long de cet exercice, et ce, grâce à sa diversité.

Nos états financiers sommaires montrent pour l'exercice qui s'est terminé le 31 mars 2015 une perte nette de 452 millions de dollars. Le report requis du transfert d'une aide aux sinistrés de plus de 100 millions de dollars par le gouvernement fédéral pour les inondations de 2014-2015, du fait d'un moratorium sur les annonces fédérales lié à l'élection fédérale du 19 octobre 2015, a donné un chiffre réel de déficit supérieur de 95 millions de dollars aux prévisions budgétaires pour l'exercice et, pour le troisième trimestre, de 28 millions par rapport aux prévisions. Les recettes fiscales ont été inférieures aux attentes, mais les résultats supérieurs aux prévisions des entités comptables du gouvernement ont eu un effet compensatoire positif sur le bilan pour l'exercice.

Ce rapport annuel continue d'assurer la transparence et de satisfaire à l'obligation redditionnelle, et il fait état des indicateurs à long terme dans la partie réservée à l'analyse des états financiers, comme le recommande le Conseil sur la comptabilité dans le secteur public de Comptables professionnels agréés du Canada.

Je suis heureuse de pouvoir faire part aux Manitobains et Manitobaines de ces résultats sommaires. Le gouvernement continuera de rendre compte des objectifs et des résultats présentés dans sa Stratégie de gestion financière annuelle.

Le tout respectueusement soumis.
Le ministre des Finances,
Greg Dewar

ECONOMIC REPORT / RAPPORT ÉCONOMIQUE

Despite the increased uncertainty in the global environment, the Manitoba economy continued to grow at a stable and steady pace through 2014 and into 2015.

In 2014, economic growth was supported by strength in manufacturing, wholesale trade and retail sales. Coming off an exceptional year, crop production was lower last year compared to 2013. Similarly, after two years of relatively high volumes, crude oil production decreased to 17.9 million barrels in 2014.

Capital investment spending has been a strong catalyst for growth in Manitoba. Supported by a balance of private and public investments, total capital spending accelerated by 25% in 2014, the strongest in Canada. According to a Statistics Canada survey, capital investment spending will increase by another 4.5% in 2015.

Manitoba's labour market has also been very active since April 2014. On a year-to-date basis in 2015, total employment in Manitoba has averaged a record 636,000 jobs, a 1.9% increase from 2014, the strongest among provinces and above Canada (0.9%). Full-time employment has increased by 2.8%, the highest among provinces, while part-time employment is down by 1.6%.

Given the unexpected sharp drop in crude oil prices in fiscal 2014/2015, global economic uncertainty has been elevated. Compared to Budget 2014 expectations, the International Monetary Fund lowered the global growth estimate for 2014 from 3.7% to 3.4%. Other significant risks generating global uncertainty include: a slower than expected growth in the U.S. economy, stalling of the fragile economic recovery in the euro area, and further slowing in China. The general weakness in global demand has dampened other commodity prices including base and precious metals.

In Canada, the drop in energy prices coupled with sluggish export growth has significantly slowed the economy over the past year. During the first half of 2015, the Canadian economy entered into a technical recession (showing two consecutive quarters of contraction), the first contraction in growth since the Great Recession in 2008/09. In hopes to boost capital

Malgré l'incertitude croissante qui plane sur la scène économique mondiale, l'économie du Manitoba a continué de croître à un rythme stable et soutenu en 2014 et au début de 2015.

En 2014, la croissance économique a été alimentée par la vigueur des secteurs des produits manufacturés, du commerce de gros et de la vente au détail. Après une année 2013 exceptionnelle, les productions végétales ont baissé l'an dernier. De même, après deux années de volumes relativement élevés, la production de pétrole brut a diminué pour s'établir à 17,9 millions de barils en 2014.

Les investissements en immobilisations ont fortement catalysé la croissance au Manitoba. Soutenu à la fois par des investissements privés et publics, le total des investissements en immobilisations a grimpé de 25 % en 2014, ce qui constitue le taux le plus élevé au Canada. Selon un sondage de Statistique Canada, ces investissements augmenteront encore de 4,5 % en 2015.

Le marché du travail du Manitoba a également été très actif depuis avril 2014. Pendant les douze mois écoulés, l'emploi total au Manitoba a atteint une moyenne record de 636 000 emplois, soit 1,9 % de plus qu'en 2014, le taux le plus élevé parmi les provinces et supérieur à celui du Canada (0,9 %). L'emploi à plein temps a augmenté de 2,8 %, le taux le plus élevé de toutes les provinces, tandis que l'emploi à temps partiel a diminué de 1,6 %.

Compte tenu de la chute brutale et inattendue des cours du pétrole brut au cours de l'exercice 2014-2015, une forte incertitude économique règne dans le monde. Par rapport aux attentes indiquées dans le Budget 2014, le Fonds monétaire international a revu à la baisse, de 3,7 % à 3,4 %, son estimation de la croissance mondiale pour 2014. D'autres risques importants alimentent l'incertitude mondiale, comme la croissance économique plus faible que prévu aux États-Unis, la stagnation de la fragile reprise économique dans la zone euro et le ralentissement de plus en plus marqué en Chine. La faiblesse généralisée de la demande mondiale a fait fléchir les prix d'autres matières premières, notamment les métaux communs et précieux.

Au Canada, la chute des prix de l'énergie alliée à une faible croissance des exportations a sensiblement ralenti l'économie au cours de l'année écoulée. Au premier semestre 2015, l'économie canadienne est entrée en récession technique (elle a connu deux trimestres de contraction consécutifs), ce qui constitue la première contraction de la croissance depuis la grande récession spending, the Bank of Canada loosened it monetary policy stance by lowering the key lending rate by 0.25% in January and by another 0.25% in July 2015.

The drop in oil prices coupled with the interest rate cut, has pulled down the Canadian dollar to below $0.80 U.S., the lowest level in 12 years. Prolonged low oil prices could have larger implications on interprovincial trade. But on the other hand, the lower dollar could benefit manufacturing sales and tourism.

Given the opportunities and the challenges emerging from the uneven pace of global growth, Manitoba's overall economic growth in 2014 was unchanged from 2013 at 2.4%. According to the Manitoba Finance survey of economic forecasts, growth is expected to moderate to 2.0% in 2015.

Globalization has introduced opportunities but it has also increased risks and uncertainty. Following global trends, Manitoba's economic growth slowed since the recession, but remained relatively strong among provinces. From 2009 to 2014, Manitoba averaged 2.5% annual real GDP growth, the fourth best among provinces. In the five years prior to the recession (2004 to 2008), Manitoba averaged 3.0% annual growth.

Manitoba's relative performance reflects diversity and balance in the economy. Manitoba has a broad industrial base, dominated by medium-sized industries all contributing relatively equally to the overall economy. The province has 11 industries each accounting for over 5% of the economic production, with manufacturing the largest at 11.2%. The range in sector size from the largest industry to the smallest industry is narrowest among provinces. Manitoba's exports are almost evenly distributed between international and interprovincial markets.

Gross Domestic Product

In April 2015, the Manitoba Bureau of Statistics estimated that 2014 real GDP increased by 2.4% in Manitoba, unchanged from 2.4% growth in 2013 and just slightly slower than the 2.7% growth in 2012.

de 2008-2009. Dans l'espoir de stimuler les investissements en immobilisations, la Banque du Canada a assoupli sa politique monétaire en abaissant de 0,25 % le taux directeur en janvier, puis de nouveau de 0,25 % en juillet 2015.

La chute des cours du pétrole et la réduction des taux d'intérêt ont fait tomber le dollar canadien au deçà de 0,80 $ US, soit le niveau le plus bas depuis 12 ans. La persistance de faibles cours du pétrole pourrait avoir des répercussions plus importantes sur le commerce interprovincial. En revanche, la faiblesse du dollar pourrait stimuler les ventes de produits manufacturés et le tourisme.

Avec les opportunités et les défis découlant du rythme inégal de la croissance mondiale, la croissance économique générale du Manitoba en 2014 a été identique à celle de 2013, 2,4 %. Selon un sondage sur les prévisions économiques réalisé par Finances Manitoba, la croissance devrait ralentir légèrement et s'établir à 2,0 % en 2015.

La mondialisation a apporté des opportunités, mais a également accru les risques et l'incertitude. Conformément aux tendances mondiales, la croissance économique du Manitoba a ralenti depuis la récession, mais est demeurée relativement forte par rapport aux autres provinces. De 2009 à 2014, le Manitoba a enregistré une croissance annuelle moyenne du PIB réel de 2,5 %, qui le place au quatrième rang des provinces. Dans les cinq ans qui ont précédé la récession (de 2004 à 2008), le Manitoba a connu une croissance annuelle moyenne de 3,0 %.

La performance relative du Manitoba reflète la diversité et l'équilibre de son économie. La province a une base industrielle variée, dominée par les industries de taille moyenne qui contribuent toutes de façon relativement égale à l'économie. La province dispose de 11 industries représentant chacune plus de 5 % de la production économique, la principale étant le secteur manufacturier, qui compte pour 11,2 %. L'amplitude séparant la plus grande industrie du Manitoba de la plus petite est la moins importante des provinces canadiennes. Les exportations manitobaines sont réparties de façon presque égale entre les marchés international et interprovincial.

Produit intérieur brut

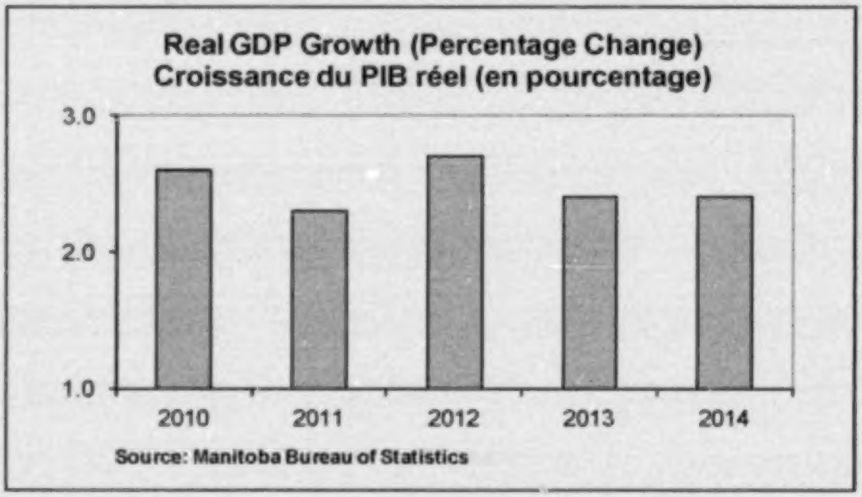
En avril 2015, le Bureau des statistiques du Manitoba a estimé que le PIB réel avait augmenté de 2,4 % en 2014 au Manitoba, soit un taux identique à celui de 2013 et légèrement inférieur à celui de 2012 (2,7 %).

With increased sales to the U.S., Manitoba's value added output in manufacturing increased by 3.9% in 2014 compared to 0.4% in the previous year. With strong sales of farm product, machinery and equipment and building materials, wholesale trade output increase by 5.4% last year.

In 2014, market conditions for crop and livestock producers diverged. Crop producers encountered lower prices as grain and oilseed inventories increased from a second consecutive global bumper crop. Tight livestock numbers, on the other hand, drove up cattle and hog prices to record levels. Overall agricultural output is estimated to have increased by 0.9% in 2014.

Avec la hausse des ventes à destination des États-Unis, la production à valeur ajoutée du Manitoba dans le secteur manufacturier a augmenté de 3,9 % en 2014 – la hausse avait été de 0,4 % l'année précédente. Avec de fortes ventes de produits agricoles, de machines et d'équipements et de matériaux de construction, la valeur du commerce de gros a augmenté de 5,4 % l'an dernier.

En 2014, les producteurs de cultures et les éleveurs ont connu des conjonctures différentes. Les producteurs de cultures ont été confrontés à une baisse des cours, les stocks de céréales et d'oléagineux ayant augmenté à la suite d'une deuxième récolte exceptionnelle consécutive à l'échelon mondial. En revanche, la taille limitée des cheptels a stimulé les cours des bovins et du porc jusqu'à des niveaux inégalés. On estime que la production agricole totale a augmenté de 0,9 % en 2014.


Real GDP Growth (Percentage Change)
Croissance du PIB réel (en pourcentage)

Source: Manitoba Bureau of Statistics

Population

According to Statistics Canada, Manitoba's population is estimated at 1,282,043 as of July 1, 2014, the fifth largest among provinces. This is Manitoba's "official" population for the year. Population growth from the previous year was 16,638 persons or 1.3%. This is the fourth consecutive year that Manitoba's population growth rate exceeded the national increase. Although slower than the recent record increases of 1.4% in 2012, population growth remains high by historical standards. This is also the third consecutive year of the third best population growth among provinces.

Population

Selon les estimations de Statistique Canada, le Manitoba comptait au 1er juillet 2014 1 282 043 habitants, ce qui le plaçait au 5e rang des provinces canadiennes. Il s'agit de la population « officielle » de la province pour cette année. La population a augmenté de 16 638 personnes (1,3 %) par rapport à l'année précédente. Le taux de croissance démographique du Manitoba dépasse ainsi le niveau national pour la quatrième année consécutive. Bien que le taux de cette année soit moindre que la récente augmentation record de 2012 (1,4 %), il demeure élevé d'un point de vue historique. Il permet au Manitoba de se placer

Population growth continues to be supported by stable interprovincial migration, immigration and increasing natural population growth (births minus deaths). The latter two components have altered the demographic profile of the province. With an increase in the number of 15 to 64 aged individuals, the median age has declined to 37.7 years in 2014, the third youngest in Canada behind SK and AB. This trend is also opposite the national trend of an increasing median age due to the aging baby boom generation.

On a calendar year basis, Manitoba's population grew by 16,634 persons in 2014 with a total net in-migration of 10,903 persons combined with a natural population increase of 5,731 persons.

Labour Force and Incomes

Manitoba's labour market was relatively strong through fiscal 2014. On a year-over-year basis in March 2015, total employment in Manitoba increased by 19,200 jobs, a 3.1% increase, strongest among provinces and above Canada (0.8%). Private sector employment increased by 13,900 jobs, a 3.0% increase and best nationally. Both full-time and part-time employment increased 3.2% and 2.6%, adding 16,200 and 3,000 jobs, respectively.

Manitoba's labour force expanded by 20,000 workers in fiscal 2014 ending in March 2015, following a contraction of 7,900 workers in the previous 12 months. The unemployment rate averaged 5.4% in fiscal 2014 compared to 5.6% in fiscal 2013. Over the same period, the labour force participation rate edged down from 68.3% to 68.1%.

pour la troisième année consécutive au troisième rang des provinces du point de vue de la croissance démographique.

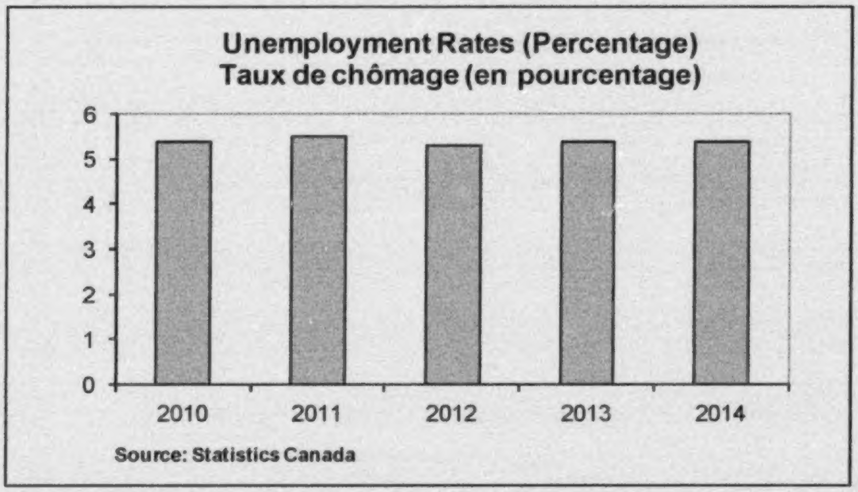
La croissance démographique continue d'être soutenue par une migration interprovinciale stable, par l'immigration et par l'augmentation démographique naturelle (les naissances moins les décès). Ces deux derniers facteurs ont modifié le profil démographique de la province. Avec une augmentation des personnes âgées de 15 à 64 ans, l'âge moyen au Manitoba a baissé, s'établissant à 37,7 ans en 2014, ce qui place le Manitoba au troisième rang des provinces les plus jeunes au Canada, derrière la Saskatchewan et l'Alberta. Cette tendance va à l'encontre de la hausse nationale de l'âge moyen liée au vieillissement des enfants du baby-boom.

Sur l'année civile, la population manitobaine a augmenté de 16 634 personnes en 2014, avec une immigration nette totale de 10 903 personnes et une augmentation démographique naturelle de 5 731 personnes.

Main-d'œuvre et revenus

Le marché du travail du Manitoba a été relativement vigoureux pendant l'exercice 2014. D'une année sur l'autre, en mars 2015, l'emploi total au Manitoba a augmenté de 19 200 emplois, soit une hausse de 3,1 %, qui le place au premier rang des provinces et est supérieure à celle du Canada (0,8 %). Le nombre d'emplois dans le secteur privé a augmenté de 13 900, soit une hausse de 3,0 %, la plus élevée à l'échelon national. L'emploi à plein temps et l'emploi à temps partiel ont augmenté de 3,2 % et 2,6 % (soit 16 200 et 3 000 emplois en plus) respectivement.

La population active du Manitoba s'est accrue de 20 000 travailleurs pendant l'exercice 2014, qui s'est terminé en mars 2015, après une réduction de 7 900 travailleurs pendant les 12 mois précédents. Le taux de chômage moyen a été de 5,4 % pendant l'exercice 2014, un taux de 5,6 % ayant été enregistré pendant l'exercice 2013. Au cours de la même période, le taux d'activité de la population active a légèrement baissé de 68,3 % à 68,1 %.


Unemployment Rates (Percentage)
Taux de chômage (en pourcentage)

Source: Statistics Canada

Investment

Manitoba's stable economic and labour market performance has supported confidence in capital investment intentions. Over the 2006 to 2014 period, total capital spending has increased at an annual average rate of 7.3%, third best nationally, and above Canada's 3.7% increase.

Manitoba's total capital investment increased to a record $9.5 billion in 2014, a 25.0% increase from 2013 and the best growth nationally. Private capital investment increased 10.0%, compared to an estimated national increase of 0.7% and public investment increased by 44.8% in Manitoba four times the national increase of 10.5%. The public investment reflects the government's five-year core infrastructure investment program. In 2014, both private and public investment growth also ranked the best nationally.

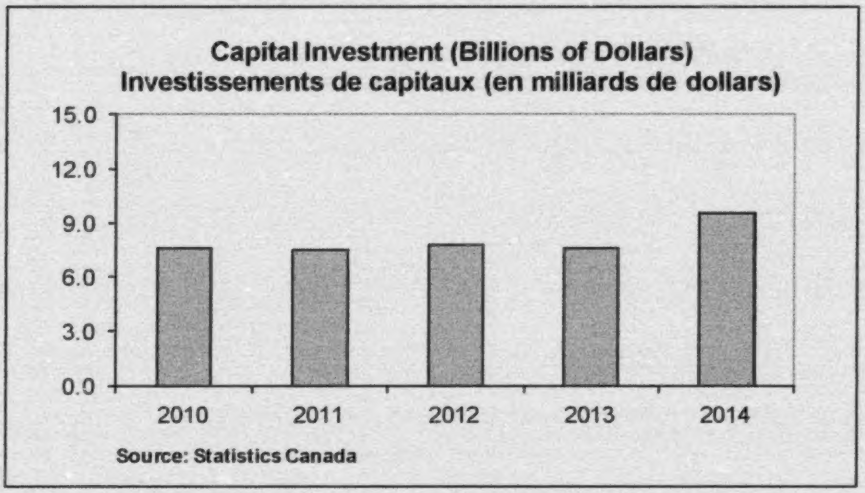
The increase in investment was driven by utility investment, manufacturing, transportation and wholesale trade investment. The economy has benefited from strong business investment and in the last five years Manitoba's private sector capital investment increased by 24.5%, sixth among provinces. Total capital investment has increased 43.3% in Manitoba, fourth highest among the provinces and better than the 37.7% national increase. Public investment increased 68.9%, second best among provinces and three times the national increase of 20.6%.

Investissement

La stabilité de l'économie et du marché du travail du Manitoba a soutenu la confiance dans les intentions relatives aux investissements en immobilisations. De 2006 à 2014, le total des dépenses en immobilisations a augmenté à un taux moyen annuel de 7,3 %, qui place la province au troisième rang national et qui est supérieur à celui du Canada (3,7 %).

Le total des investissements en immobilisations au Manitoba a augmenté pour atteindre un chiffre record de 9,5 milliards de dollars en 2014, soit une hausse de 25,0 % par rapport à 2013, la plus forte à l'échelon national. Les investissements privés ont augmenté de 10,0 %, alors que la hausse nationale est estimée à 0,7 %, et les investissements publics se sont accrus de 44,8 % au Manitoba, soit quatre fois la hausse nationale de 10,5 %. Ces investissements publics découlent du programme quinquennal d'investissement dans l'infrastructure de base du gouvernement. En 2014, la croissance des investissements publics et privés a également été la plus élevée à l'échelon national.

La hausse des investissements a été alimentée par les investissements dans les secteurs des services publics, des produits manufacturiers, des transports et du commerce de gros. L'économie a bénéficié d'investissements importants des entreprises et, au cours des cinq dernières années, les investissements en immobilisations réalisés par le secteur privé au Manitoba se sont accrus de 24,5 %, ce qui place la province au sixième rang national. Au total, les investissements en immobilisations ont augmenté de 43,3 % au Manitoba, ce qui place ce dernier au quatrième rang parmi les provinces, avec un taux supérieur à la hausse nationale de 37,7 %. Les investissements publics ont augmenté de 68,9 %, plaçant le Manitoba au deuxième rang parmi les provinces, avec trois fois la hausse nationale de 20,6 %.


Capital Investment (Billions of Dollars)
Investissements de capitaux (en milliards de dollars)

Source: Statistics Canada

Sectoral Developments

Manitoba's manufacturers posted a strong rebound in 2014 as shipments to the U.S. improved. Total manufacturing sales from the province increased by 3.3% to $15.9 billion in 2014, after increasing 0.2% in 2013 and by 1.1% in 2012. Canadian sales increased 5.3% last year. Overall, Manitoba sales of durable goods increased 4.7%, and non-durables advanced 1.2%.

Reflecting strength in housing, municipal government investment in public transit busses, airline industry, and global crop production, Manitoba manufacturing sales increased in five of seven subsectors. Furniture (9.4%), transportation equipment (7.6%), fabricated metals (6.9%), chemicals (4.0%) and machinery and agriculture implement sales (3.1%) led the sector, while wood products (-11.3%) and food sales (-3.0%) led the losses.

Manufacturing is Manitoba's largest sector, accounting for 11.2% of total real GDP. Employing almost 64,000 workers it represents 10.2% of total provincial employment, the third largest share nationally. Employment in manufacturing industries grew by 1.9% or 1,200 jobs in 2014, third best growth among provinces

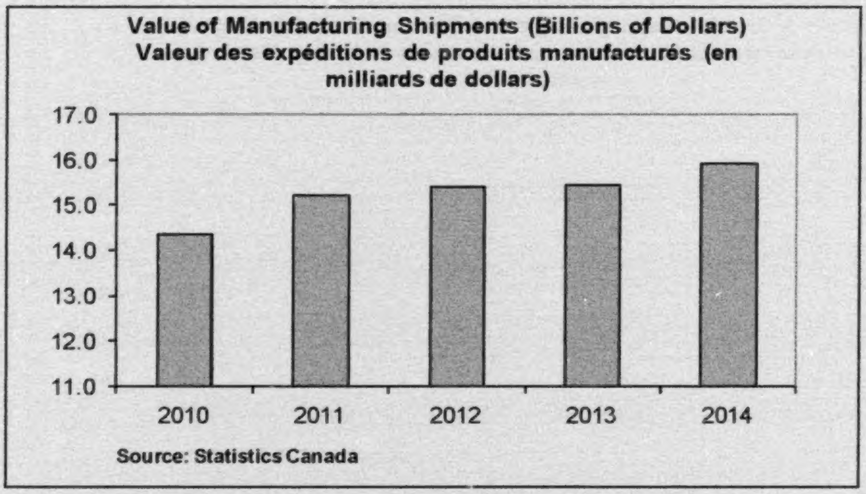
Évolutions sectorielles

Les manufacturiers du Manitoba ont enregistré un net rebond en 2014 à mesure que s'accroissaient les expéditions vers les États-Unis. Le total des ventes de produits manufacturés de la province a augmenté de 3,3 %, passant à 15,9 milliards de dollars en 2014, après avoir augmenté de 0,2 % en 2013 et de 1,1 % en 2012. Les ventes canadiennes ont augmenté de 5,3 % l'an dernier. Dans l'ensemble, les ventes manitobaines de biens durables ont augmenté de 4,7 %, alors que celles de biens durables ont progressé de 1,2 %.

Reflétant la vigueur du secteur du logement, des investissements des administrations municipales dans les autobus de transport public, de l'industrie aérienne et de la production mondiale de cultures, les ventes de produits manufacturés du Manitoba ont augmenté dans cinq sous-secteurs sur sept. Les ventes d'ameublement (9,4 %), de matériel de transport (7,6 %), de produits métalliques (6,9 %), de produits chimiques (4,0 %) et de machines et outils agricoles (3,1 %) ont stimulé le secteur, tandis que les ventes de produits en bois (-11,3 %) et d'aliments (-3,0 %) ont diminué.

Le secteur manufacturier, qui représente 11,2 % du PIB réel total, est le secteur le plus important du Manitoba. Il emploie près de 64 000 travailleurs, soit 10,2 % du total de l'emploi dans la province, ce qui place cette dernière au troisième rang national pour ce secteur. L'emploi dans les industries manufacturières a augmenté de and the fourth consecutive year of employment growth.

1,9 % (1 200 emplois) en 2014, ce qui place le Manitoba au troisième rang parmi les provinces et fait de 2014 la quatrième année consécutive de croissance de l'emploi.



Value of Manufacturing Shipments (Billions of Dollars)
Valeur des expéditions de produits manufacturés (en milliards de dollars)

Source: Statistics Canada

Manitoba's export performance has fluctuated since 2009 with swings generated partly from weather-related changes in grain and oilseed production and sales.

In 2014, foreign merchandise exports from Manitoba fully recovered from the recession, marking a new record at $13.5 billion in annual sales, up 7.3% from the previous year. Manitoba's exports to the U.S. grew 8.4% and non-U.S exports increased 5.0%. Over the course of 2014, the Canadian dollar also declined 8.3% relative to the U.S. dollar, improved the price competitiveness of Manitoba's merchandise exports and supported stronger export sales in 2014.

A return to normal crop yields resulted in only a 1.5% increase in crop exports in 2014, following a 52.4% gain in 2013. Driven by high global demand and tight supply, animal product exports accelerated by 41% in 2014, pushing up overall agriculture exports by 6.7%. Exports of manufactured goods increased by 6.8% supported by an 11.3% increase in transportation equipment and a 12.9% increase in food manufacturing.

Depuis 2009, les résultats du Manitoba à l'exportation ont fluctué, avec des revirements partiellement liés aux conditions météorologiques dans la production et les ventes de céréales et d'oléagineux.

En 2014, les exportations de marchandises du Manitoba vers l'étranger se sont totalement rétablies de la récession, avec des ventes annuelles atteignant un nouveau record de 13,5 milliards de dollars, soit une hausse de 7,3 % par rapport à l'année précédente. Les exportations du Manitoba vers les États-Unis ont augmenté de 8,4 % et celles à destination des autres pays se sont accrues de 5,0 %. Par ailleurs, en 2014, le dollar canadien a perdu 8,3 % par rapport au dollar des États-Unis, ce qui a renforcé la compétitivité des prix des exportations manitobaines de marchandises et a contribué à une hausse des ventes à l'exportation en 2014.

Le retour à un rendement normal des cultures a limité à 1,5 % la hausse des exportations de produits végétaux en 2014, après une hausse de 52,4 % en 2013. Alimentées par une forte demande mondiale et des approvisionnements limités, les exportations de produits animaux ont augmenté de 41 % en 2014, stimulant l'ensemble des exportations agricoles de 6,7 %. Les exportations de biens manufacturés ont augmenté de 6,8 %, avec notamment une hausse de 11,3 % pour le matériel de transport et de 12,9 % pour la fabrication de

With increased demand for equipment from the agricultural sector, machinery exports increased 8.2%. The uneven growth of overseas markets has made the U.S. a key destination for Manitoba exports, with exports increasing at an average annual rate of 8.6% over the last four years.

After a record harvest in 2013, crop production returned to more normal yields. In 2014, Manitoba farm cash receipts increased 2.7% to $5.9 billion. Crop receipts were down 5.8% to $3.2 billion, wet and cold weather hampered seeding and low crop prices reduced the overall value of crops produced. Canola receipts were down 2.3%, wheat decreased 16.8%, barley was down 27% but soybeans receipts increased 4.5% resulting in a total value of crop production still over $3.0 billion in 2014.

In 2014, livestock supplies remained tight from the prolonged drought in the U.S. that has constrained supply. Together with domestic demand and rising international demand, prices remained firm and benefited Manitoba's livestock producers. Livestock cash receipts increased 24.8% in 2014 to an estimated $2.5 billion, a new record value of production and substantially exceeding the $2.0 billion average value of sales in the last two years. Cattle receipts increased 43.6% and hog receipts advanced 28.2%, now worth over $1.2 billion. Direct payments, which include crop insurance and other transfers to producers, are estimated to have decreased by 37.9%.

The livestock sector in Manitoba continues to be impacted by the U.S. Country of Origin Labeling regulations for meat products. The World Trade Organization ruled against these regulations and Canada announced plans for retaliatory action. Despite this, the Canada-Korea Free Trade Agreement and the Canada European Comprehensive Economic and Trade Agreement hold opportunities for both crop and livestock producers in Manitoba.

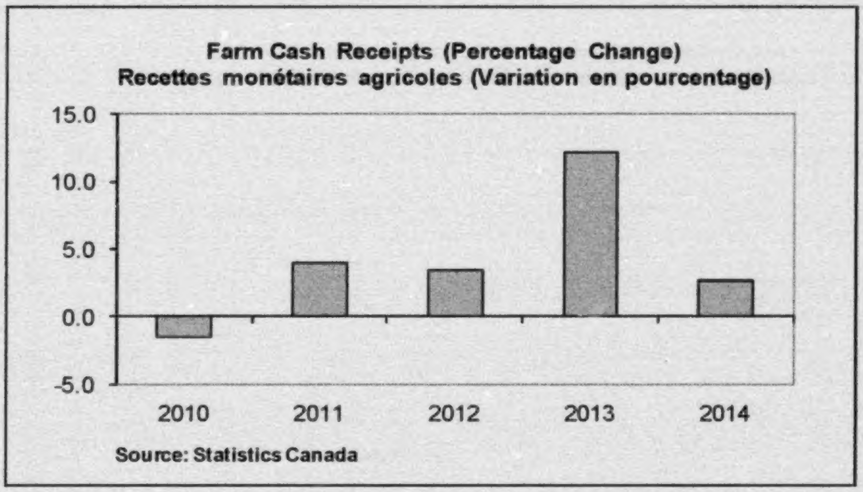
produits alimentaires.

Du fait de la demande accrue en matériel de la part du secteur agricole, les exportations de machines ont augmenté de 8,2 %. La croissance inégale des marchés d'outremer a fait des États-Unis une destination essentielle pour les exportations du Manitoba, les ventes vers ce pays ayant augmenté à un taux moyen annuel de 8,6 % au cours des quatre dernières années.

Après la récolte record de 2013, la production de cultures a retrouvé des rendements plus normaux. En 2014, les recettes monétaires agricoles du Manitoba ont augmenté de 2,7 % pour atteindre 5,9 milliards de dollars. Les recettes des productions végétales ont baissé de 5,8 % et se sont chiffrées à 3,2 milliards de dollars – le temps humide et froid a entravé l'ensemencement et les prix faibles des productions végétales ont réduit la valeur globale des cultures produites. Les recettes ont baissé pour le canola (2,3 %), le blé (16,8 %) et l'orge (27 %), tandis que celles provenant du soja ont augmenté de 4,5 %, ce qui fait que la valeur globale des productions végétales continue de dépasser les 3,0 milliards de dollars en 2014.

En 2014, les approvisionnements en bétail sont restés limités du fait de la sécheresse prolongée aux États-Unis, qui a restreint l'approvisionnement global. Compte tenu de ce facteur, de la demande intérieure et de l'accroissement de la demande internationale, les prix sont restés fermes, au profit des éleveurs manitobains. En 2014, les recettes monétaires provenant du bétail se sont accrues de 24,8 % pour atteindre le chiffre estimé de 2,5 milliards de dollars, cette valeur de production constituant un nouveau record et dépassant sensiblement la valeur moyenne des ventes de 2,0 milliards de dollars des deux années précédentes. Les recettes du secteur bovin ont augmenté de 43,6 % et celles du secteur porcin ont progressé de 28,2 % pour dépasser 1,2 milliard de dollars. On estime que les paiements directs, qui comprennent les prestations d'assurance-récolte et d'autres transferts aux producteurs, ont baissé de 37,9 %.

Le secteur de l'élevage du Manitoba demeure touché par la réglementation étatsunienne relative à l'étiquetage du pays d'origine pour les produits carnés. L'Organisation mondiale du commerce a statué contre ces règles, et le Canada a annoncé des projets de mesures de représailles. Malgré cela, l'Accord de libre-échange Canada-Corée et l'Accord économique et commercial global entre le Canada et l'Union européenne présentent des opportunités pour les producteurs de cultures et d'animaux d'élevage au Manitoba.



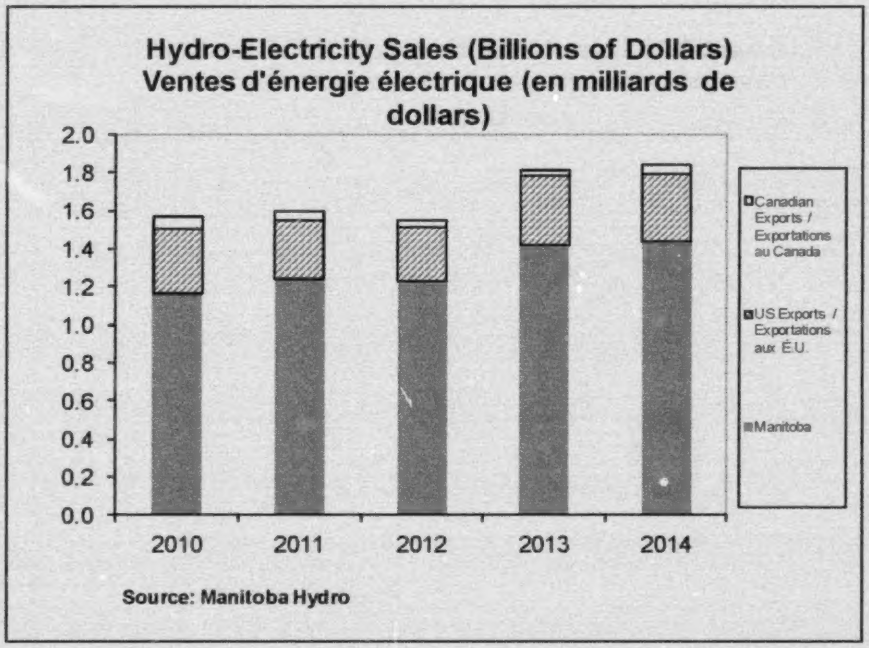
Source: Statistics Canada

In 2014, the value of Manitoba electricity sales increased by 1.6%. Electricity sales within Manitoba increased by 1.2% while export sales increased by 2.9%.

Approximately 88% of export sales are to the U.S. with the balance to other Canadian provinces. Export sales to the U.S. are priced in $US. As a result, the Canadian dollar depreciation increases U.S. sales receipts.

En 2014, les ventes d'énergie électrique au Manitoba ont augmenté de 1,6 %. Les ventes à l'intérieur du Manitoba ont augmenté de 1,2 % tandis que les ventes à l'exportation se sont accrues de 2,9 %.

Environ 88 % des ventes à l'exportation sont destinées aux É.-U. et le reste, aux autres provinces canadiennes. Les exportations à destination des É.-U. sont facturées en dollars américains. De ce fait, la dépréciation du dollar canadien a entraîné une augmentation des recettes des ventes vers les É.-U.



Source: Manitoba Hydro

Supported by strong demographic and economic fundamentals, Manitoba's housing market is the strongest in over 25 years, when Baby Boomers were entering the housing market. In addition, relative to other provinces, growth in new housing starts in Manitoba is the second strongest in Canada, over the last 10 years. In 2014, there were 6,220 new housing units started in Manitoba, the fourth consecutive year of over 6,000 units. There were 3,149 single detached units started in the province and 3,071 multiple units.

In 2014, the value of building permits in Manitoba increased 7.9%, second highest growth for the second consecutive year. Non-residential permits were up 18.3% while residential permits increased 0.6% in 2014. Canadian permits increased 5.1% in 2014. Non-residential building permits in Manitoba were supported by: institutional permits 12.0%, commercial permits 26.1%, and industrial permits 0.8%.

Strong population and labour income growth supported solid retail sales growth in Manitoba. Sales increased by 4.3% in 2014, exceeding the previous year's growth of 3.9% and in line with the 4.6% national increase. In 2014, sales increases were broad based among sectors. Sales rose on the strength of motor vehicle sales (10.0%), department stores (4.9%), food and beverage stores (4.7%), clothing stores (3.8%), health and personal services (3.3%), furniture (2.1%), building supplies (1.6%), and sporting goods (1.5%). Sales declined at electronics and appliances stores (3.2%), and at gasoline stations (2.3%).

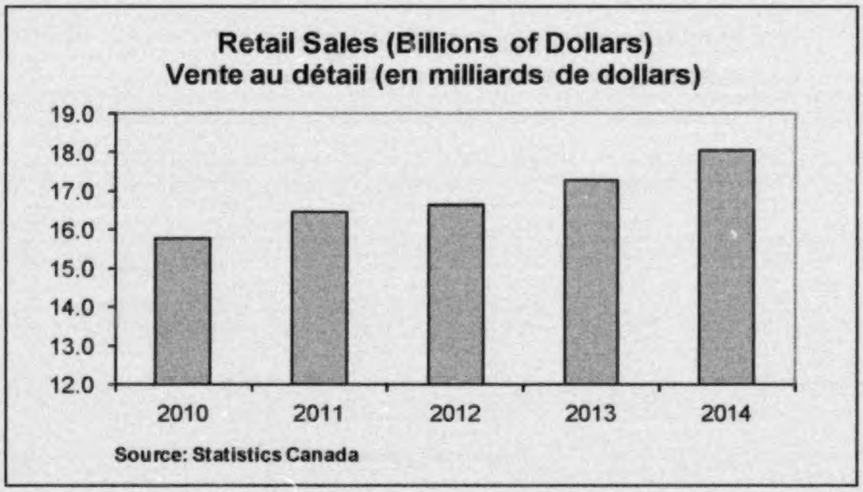
The number of new motor vehicles sold in Manitoba increased by 2.7% to 57,783 units. The pace was slower compared to the 7.5% average growth in the prior three years. New passenger car sales declined 7.2% in 2014 (17,527 units), after increasing more than 9% average growth in the previous two years. Sales of trucks, SUV's and minivans represents 70% of all new vehicles sold and continued to grow in 2014, rising 7.6% (40,256 units) after advancing 7.1% in 2013.

Soutenu par des facteurs fondamentaux positifs de nature démographique et économique, le marché du logement du Manitoba connaît sa plus forte croissance depuis plus de 25 ans, l'époque où les enfants du baby-boom faisaient leur entrée dans le marché du logement. De plus, la croissance des mises en chantier de logements neufs au Manitoba au cours des dix dernières années place la province au deuxième rang parmi les provinces canadiennes. En 2014, 6 220 nouveaux logements ont été mis en chantier au Manitoba (3 149 logements individuels et 3 071 logements multiples) – c'est la quatrième année consécutive où le total des mises en chantier dépasse les 6 000 logements.

En 2014, la valeur des permis de construction a augmenté de 7,9 % au Manitoba, ce qui place la province au deuxième rang pour la deuxième année consécutive. La valeur des permis de construction non résidentielle a augmenté de 18,3 %, tandis que celle des permis de construction résidentielle a augmenté de 0,6 %. Les permis canadiens ont augmenté de 5,1 % en 2014. Les permis de construction non résidentielle ont bénéficié de la croissance des permis de construction de bâtiments à usage institutionnel (12,0 %), commercial (26,1 %) et industriel (0,8 %).

La vigueur de la croissance démographique et de la croissance du revenu du travail a contribué à l'augmentation sensible des ventes au détail au Manitoba. Les ventes ont augmenté de 4,3 % en 2014, dépassant ainsi la croissance de l'année précédente (3,9 %) et approchant la hausse nationale de 4,6 %. En 2014, les hausses des ventes ont touché de nombreux secteurs – véhicules automobiles (10,0 %), grands magasins (4,9 %), aliments et boissons (4,7 %), vêtements (3,8 %), services de santé et à la personne (3,3 %), ameublement (2,1 %), matériaux de construction (1,6 %) et équipements sportifs (1,5 %). Les ventes ont baissé dans les magasins d'électroménager (3,2 %) et les stations-service (2,3 %).

Le nombre de nouveaux véhicules vendus au Manitoba a augmenté de 2,7 % l'an dernier pour atteindre les 57 783 unités, ce qui est plus faible que la croissance moyenne de 7,5 % enregistrée au cours des trois années précédentes. Les ventes de voitures de tourisme neuves ont baissé de 7,2 % en 2014 (17 527 unités), après avoir connu une croissance moyenne de plus de 9 % au cours des deux années précédentes. En 2014, les ventes de camionnettes, de véhicules utilitaires sport et de fourgonnettes ont représenté 70 % de l'ensemble des ventes de véhicules neufs et ont poursuivi leur croissance, qui a atteint 7,6 % (40 256 unités) après une progression de 7,1 % en 2013.



Retail Sales (Billions of Dollars)
Vente au détail (en milliards de dollars)

Source: Statistics Canada

PUBLIC ACCOUNTS
VOLUME 1
FOR THE YEAR ENDED
MARCH 31, 2015

VOLUME 1
DES COMPTES PUBLICS
POUR L'EXERCICE TERMINÉ
LE 31 MARS 2015

INTRODUCTION TO THE PUBLIC ACCOUNTS OF MANITOBA/
INTRODUCTION AUX COMPTES PUBLICS DU MANITOBA

Nature of the Public Accounts

The Public Accounts of Manitoba are prepared annually by statutory requirement in accordance with section 65(1) of *The Financial Administration Act*, which is Chapter F55 of the Continuing Consolidation of the Statutes of Manitoba. The Public Accounts reflect the summary financial position of the Government and the operating results for the fiscal year of the Government, which ends on March 31.

The information contained in the report originates from two sources:

- the summarized financial information presented in the accounts of Manitoba, maintained by the Provincial Comptroller; and
- the detailed records, maintained by departments, agencies, Crown organizations (Crowns) and Government Business Enterprises (GBEs).

Each department and public sector organization is responsible for reconciling its accounts to the control accounts of the Provincial Comptroller, and for maintaining detailed records of the transactions in their accounts.

Format of the Public Accounts of Manitoba

The Public Accounts of Manitoba consists of the following volumes:

Volume 1 presents the Economic Report, the Financial Statement Discussion and Analysis, the audited summary financial statements of the Government, and financial reports on the Fiscal Stabilization Account and the Debt Retirement Account;

Volume 2 presents the audited Schedule of Public Sector Compensation Payments of $50,000 or more and the Government Departments' and Special Operating Agencies' payments in excess of $5,000 that do not require an audit; and

Volume 3 presents Supplementary Schedules and other statutory reporting requirements.

Nature des comptes publics

Les Comptes publics du Manitoba sont préparés tous les ans par obligation légale, conformément au paragraphe 65(1) de la *Loi sur la gestion des finances publiques*, chapitre F55 de la *Codification permanente des lois du Manitoba*. Les comptes publics présentent la situation financière sommaire du gouvernement et les résultats de ses activités pour l'exercice financier du gouvernement, qui se termine le 31 mars.

Les renseignements fournis dans le rapport proviennent de deux sources :

- le résumé de l'information financière présentée dans les comptes du Manitoba, qui sont tenus par le contrôleur de la province;
- les registres détaillés, qui sont tenus par les ministères, les organismes, les sociétés de la Couronne et les entreprises publiques.

Chacun des ministères et des organismes du secteur public est responsable du rapprochement de ses comptes et des comptes collectifs tenus par le contrôleur de la province, et de la tenue de registres détaillés de leurs opérations comptables.

Composition des Comptes publics du Manitoba

Les Comptes publics du Manitoba comprennent les volumes suivants :

Le **volume 1** présente le Rapport économique, le Rapport d'analyse des états financiers, les états financiers sommaires vérifiés du gouvernement, ainsi que les rapports financiers portant sur l'état annuel du solde à la fin de l'exercice en vertu de le compte de stabilisation des revenus et le compte de remboursement de la dette;

Le **volume 2** présente la liste vérifiée des paiements de rémunération du secteur public totalisant 50 000 $ ou plus, ainsi que les paiements totalisant plus de 5 000 $ qui n'exigent pas de vérification et qui sont versés par les ministères gouvernementaux et par les organismes de service spécial.

Le **volume 3** présente les annexes supplémentaires et les autres documents qui satisfont aux exigences législatives en matière de rapports.

Volume 4 is provided as a compendium of unaudited financial statements of special funds and audited financial statements of organizations, agencies and enterprises included in the Government Reporting Entity (GRE), but is not considered to be part of the Public Accounts of Manitoba.

Volume 1: Annual Report for the Year ended March 31, 2015 - This volume contains the following specific information:

Financial Statement Discussion and Analysis - This section provides a written commentary on the summary financial statements plus additional information on the financial and economic performance of the Provincial Government. The information contained in the Financial Statement Discussion and Analysis section is taken from the March 31, 2015 summary financial statements.

Summary Financial Statements - These audited statements disclose the financial impact of the Government's activities. Only the Government's summary financial statements provide the key information on the financial activities of the entire Government. The summary financial statements include the financial results of the approximately 180 different agencies the Government uses to deliver its goods and services. The GRE includes the core Government and Crown organizations, government business enterprises and public sector organizations such as regional health authorities, school divisions, universities and colleges. The departments and entities comprising the GRE are disclosed in Schedule 8 of the summary financial statements.

The summary financial statements also provide the following key financial information:

- the Government's financial position at March 31 each year
- the results of its operations for the year
- what revenue it brought in and what it spent (i.e. annual surplus or deficit)
- how much it borrowed, repaid or refinanced
- how it obtained and used its cash

Le **volume 4** est un recueil des états financiers vérifiés des fonds, des organisations de la Couronne, des organismes publics et des entreprises publiques inclus dans le périmètre comptable du gouvernement, mais il n'est pas considéré comme faisant partie des comptes publics du Manitoba.

Volume 1 : Rapport annuel pour l'exercice terminé le 31 mars 2015 - ce volume contient l'information financière suivante :

Analyse des états financiers - cette section fournit un exposé écrit des états financiers sommaires, ainsi que des renseignements complémentaires sur la performance financière et économique du gouvernement du Manitoba. Les renseignements contenus dans l'analyse des états financiers sont tirés des états financiers sommaires pour l'exercice terminé le 31 mars 2015.

États financiers sommaires - les états financiers sommaires sont des états vérifiés qui précisent l'incidence financière des activités du gouvernement. Seuls les états financiers sommaires du gouvernement fournissent des renseignements clés sur les activités financières de tout le gouvernement. Ces états comprennent les résultats financiers des 180 organismes différents dont se sert le gouvernement pour fournir des biens et des services. Le périmètre comptable du gouvernement inclut les opérations fondamentales du gouvernement, les organisations de la Couronne, les entreprises publiques et les organismes du secteur public tels les offices régionaux de la santé, les divisions scolaires, les universités et les collèges. Les ministères et les organismes compris dans le périmètre comptable du gouvernement figurent à l'annexe 8 des états financiers sommaires.

Les états financiers sommaires contiennent les renseignements financiers clés suivants :

- la situation financière du gouvernement au 31 mars chaque année;
- les résultats des activités de l'exercice;
- le total des recettes et des dépenses (c'est-à-dire, l'excédent ou le déficit annuel);
- les sommes empruntées, remboursées ou refinancées;
- les sommes obtenues et la façon dont elles ont été utilisées.

Other Financial Reports – This section includes audited reports on information other than financial statements, including:

- the Fiscal Stabilization Account, and
- the Debt Retirement Account.

Volume 2: Supplementary Information - This volume contains the following specific information:

***Schedule of Public Sector Compensation* of $50,000 or More** - This audited schedule contains payments of $50,000 or more as paid through Government Departments as well as those paid by Special Operating Agencies, as required by *The Public Sector Compensation Disclosure Act*, and

Statement of Payments in Excess of $5,000 to Corporations, Firms, Individuals, Other Governments and Government Agencies - Included are details of Consolidated Fund and Special Operating Agencies' payments in excess of $5,000 to corporations, firms, individuals, other governments and government agencies.

Volume 3: Supplementary Schedules and Other Statutory Reporting Requirements - This volume contains unaudited statements, schedules and other information, as well as the following audited statement:
the Report of Amounts Paid or Payable to Members of the Assembly

Volume 4: This volume includes a compendium of unaudited financial statements of special funds and audited financial statements of organizations, agencies and enterprises included in the Government Reporting Entity, but is not considered to be part of the Public Accounts of Manitoba.

The Public Accounts of Manitoba are available on the Internet at:
www.gov.mb.ca/finance

Autres rapports financiers – cette section comprend des rapports vérifiés portant sur l'information financière autre que les états financiers, notamment :

- le compte de stabilisation des revenus;
- le compte de remboursement de la dette.

Volume 2 : Supplément d'information - ce volume contient l'information suivante :

Liste de la rémunération dans le secteur public - cette liste vérifiée présente les paiements totalisant 50 000 $ ou plus, qu'il s'agisse des paiements versés par les ministères gouvernementaux ou de ceux versés par les organismes de service spécial, conformément aux exigences de la *Loi sur la divulgation de la rémunération dans le secteur public*.

État des paiements de plus de 5 000 $ versés à des sociétés, à des entreprises, à des particuliers, à d'autres administrations publiques et à des organismes publics - cet état contient la liste des paiements de plus de 5 000 $ versés à même le fonds de fonctionnement ou par les organismes de service spécial à des sociétés, à des entreprises, à des particuliers, à d'autres administrations publiques et à des organismes publics.

Volume 3 : Annexes supplémentaires et autres rapports prévus par la loi - ce volume contient des états, des annexes et d'autres renseignements non vérifiés, à l'exception des deux états suivant :

- le rapport des sommes versées ou à verser aux membres de l'Assemblée législative;

Volume 4 : Ce volume comprend un recueil d'états financiers vérifiés de fonds, d'organisations, d'organismes et d'entreprises.

Les Comptes publics du Manitoba peuvent être consultés sur Internet à l'adresse suivante :
www.gov.mb.ca/finance

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS REPORT
RAPPORT D'ANALYSE DES ÉTATS FINANCIERS

CONTENTS		TABLE DES MATIÈRES	
2014/15 Financial Highlights	29	Faits saillants 2014-2015	29
Financial Condition of the Government	31	La situation financière du gouvernement	31
Risks and Uncertainties	46	Les risques et les incertitudes	46
Variance Analysis and Assessment of Significant Trends:		Analyse des écarts et des principales évolutions :	
Summary Net Income (Loss)	47	Recettes (pertes) nettes sommaires	47
Revenue	48	Recettes	48
Expenses	51	Dépenses	51
Financial Assets	55	Actifs financiers	55
Liabilities	56	Passifs	56
Net Debt and Accumulated Deficit	58	Dette nette et déficit accumulé	58
Non-financial Assets	59	Actifs non financiers	59
Tangible Capital Assets	60	Immobilisations corporelles	60

2014/15 FINANCIAL HIGHLIGHTS

The highlights section provides a summary of the key events affecting the summary financial statements for the 2014/15 fiscal year with comparisons to results for the previous fiscal year, as applicable.

- The summary financial statements of the Province of Manitoba fully comply with Canadian generally accepted accounting principles for the public sector and received an unqualified audit opinion from the Auditor General of Manitoba. Certain figures have been restated to comply with current presentation and changes in accounting policy (see financial statement notes).

- At the time of publication, the most recent estimates of the March 31st nominal and real GDP are used. This includes all prior year revisions and the latest available forecast.

- Overall, Manitoba's performance reflects diversity and balance in the economy; however, global economic conditions continued to set the tone for Manitoba's overall economic growth. Manitoba Bureau of Statistics estimates that Manitoba's real Gross Domestic Product (GDP) grew 2.4% in 2014 unchanged from 2.4% growth in 2013.

- The Government recorded a net loss of $452 million, which is $28 million higher than the third quarter forecast and $95 million higher than projected in Budget 2014.

- The 2014/15 results included revenue of $14,739 million that sustained program expenses of $14,350 million and public debt charges of $841 million.

- Public debt charges as a percentage of revenue have decreased from 5.8% in 2013/14 to 5.7% in 2014/15, the lowest in ten years.

FAITS SAILLANTS 2014-2015

Les faits saillants résument les éléments clés des états financiers sommaires pour l'exercice financier 2014-2015 et les comparent aux résultats de l'exercice financier précédent, s'il y a lieu.

- Les états financiers sommaires de la Province du Manitoba sont entièrement conformes aux principes comptables généralement reconnus au Canada pour le secteur public, et le vérificateur général du Manitoba a émis à leur sujet une opinion de vérification sans réserve. Certains chiffres ont été retraités pour les rendre conformes à la présentation actuelle et aux modifications de la méthode comptable (voir les notes aux états financiers).

- Au moment de la publication, les estimations les plus récentes du PIB nominal et réel au 31 mars sont utilisées. Cela comprend toutes les révisions de l'exercice précédent et les dernières prévisions disponibles.

- Dans l'ensemble, la performance du Manitoba reflète la diversité et l'équilibre de son économie; toutefois, les conditions économiques mondiales ont continué de donner le ton de la croissance économique générale du Manitoba. Le Bureau des statistiques du Manitoba estime que le PIB réel du Manitoba a augmenté de 2,4 % en 2014, un taux inchangé par rapport à la croissance de 2,4 % en 2013.

- Le gouvernement a enregistré une perte nette de 452 millions de dollars, soit 28 millions de plus que prévu pour le troisième trimestre et 95 millions de plus que prévu dans le Budget 2014.

- Les résultats de 2014-2015 comprenaient des recettes de 14 739 millions de dollars, qui ont servi à couvrir des dépenses de programmes de l'ordre de 14 350 millions de dollars et à assumer des frais de la dette publique établis à 841 millions de dollars.

- Les frais de la dette publique en pourcentage des recettes ont diminué, passant de 5,8 % en 2013-2014 à 5,7 % en 2014-2015, le taux le plus bas en dix ans.

- Capital Investment continued to be a priority with the Province investing $1,534 million on new tangible capital assets during the year.

- Net debt is $18,963 million at March 31, 2015, up $1,691 million from March 31, 2014. Net debt to GDP increased to 29.8% from 28.2% at March 31, 2014. The ratio of net debt to total revenues has increased to 128.7% from 121.5% at March 31, 2014.

- The accumulated deficit is $7,385 million at March 31, 2015, an increase of $832 million from March 31, 2014. The accumulated deficit to GDP ratio was 11.6%, up from 10.7% at March 31, 2014.

- Les investissements en immobilisations sont demeurés une priorité, la Province ayant investi 1 534 millions de dollars en nouvelles immobilisations corporelles au cours de l'exercice.

- La dette nette s'élevait à 18 963 millions de dollars au 31 mars 2015, soit une hausse de 1 691 millions de dollars par rapport au 31 mars 2014. Le ratio entre la dette nette et le PIB a augmenté, passant de 28,2 % au 31 mars 2014 à 29,8 %. Le ratio entre la dette nette et les recettes totales est passé de 121,5 % au 31 mars 2014 à 128,7 %.

- Le déficit accumulé s'établissait à 7 385 millions de dollars au 31 mars 2015, en augmentation de 832 millions de dollars par rapport au 31 mars 2014. Le ratio entre le déficit accumulé et le PIB a augmenté pour se situer à 11,6 %, contre 10,7 % au 31 mars 2014.

FINANCIAL CONDITION OF THE GOVERNMENT

The Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPAC), through a statement of recommended practices, suggests a number of financial indicators to assist in the assessment of a government's financial condition. There are no established public sector benchmarks for these indicators. The indicators, expressed as ratios or trends, provide a picture of what has occurred over a period of years to facilitate comparisons and assist in the assessment of the Government's financial health in the context of the current economic and financial environment. The recommended indicators are grouped into three categories:

(1) ***Sustainability*** - measures a government's ability to maintain its programs without the need to increase its borrowings.

(2) ***Flexibility*** - how well a government can respond to rising financial commitments by either expanding its revenue or increasing its borrowings.

(3) ***Vulnerability*** - how much a government relies on revenue sources beyond its direct control or influence, both domestic and internationally.

Source of data and its limitations

The financial indicators in this report use key financial information from the audited summary financial statements. Economic information is obtained from Statistics Canada and the Manitoba Bureau of Statistics. Comparative data presented is not adjusted for inflation. Comparative results are restated to conform to any changes in accounting policy or presentation adopted in the current fiscal year. The financial indicators in this section present the results in the same format as presented in the Public Accounts of Manitoba.

LA SITUATION FINANCIÈRE DU GOUVERNEMENT

Le Conseil sur la comptabilité dans le secteur public de Comptables professionnels agréés du Canada (CPA Canada) publie un énoncé de pratiques recommandées dans lequel il suggère divers indicateurs financiers utiles à l'évaluation de la situation financière des gouvernements. Les indicateurs proposés ne sont pas associés à des valeurs de référence pour le secteur public. Ils correspondent plutôt à des ratios ou à des indicateurs de tendance qui dressent le portrait de la situation pendant un nombre donné d'exercices, pour faciliter les comparaisons et aider à l'évaluation de la santé financière du gouvernement dans la conjoncture économique et financière courante. Les indicateurs recommandés sont regroupés dans trois catégories :

(1) La ***durabilité*** - mesure la capacité d'un gouvernement de maintenir ses programmes sans avoir à accroître ses emprunts.

(2) La ***flexibilité*** - mesure la capacité d'un gouvernement de faire face à des engagements financiers grandissants en accroissant ses recettes ou en s'endettant davantage.

(3) La ***vulnérabilité*** - mesure le degré de dépendance d'un gouvernement à l'égard de sources de recettes qui échappent à son pouvoir direct ou à son influence, tant sur le plan national qu'international.

Les sources de données et leurs limites

Les indicateurs financiers exposés dans le présent rapport se fondent sur des données financières clés contenues dans les états financiers sommaires vérifiés. Les données économiques proviennent de Statistique Canada et du Bureau des statistiques du Manitoba. Les données comparatives présentées ne sont pas ajustées en fonction de l'inflation. Par contre, les résultats comparatifs sont retraités pour tenir compte de la méthode comptable ou de la présentation adoptée au cours de l'exercice financier considéré. Les indicateurs financiers de la présente section exposent les résultats dans le même format que celui des Comptes publics du Manitoba.

The Government's 2014/15 Financial Condition

This section describes the Government's financial health using the CPAC's three indicator categories of sustainability, flexibility, and vulnerability. The section also describes each category and the related indicators. For each indicator, it provides trend data for Manitoba and highlights key trends.

Sustainability

As noted above, sustainability measures the ability of a government to meet its existing program commitments and creditor requirements without increasing its borrowings or tax burden.

Looking at trends for the following five indicators provides useful insight into the sustainability of a government's revenue-raising and spending practices:

- *Net Debt as a Percentage of Provincial GDP:* the relationship between a government's net debt and the income in the economy.
- *Net Debt-to-Total Annual Revenue:* the extent to which future revenues are required to pay for past transactions or events.
- *Accumulated Deficit-to-Provincial GDP:* the extent to which past and current deficits and surpluses influenced a government's ability to manage its indebtedness and operational challenges.
- *Annual Net Income (Loss):* the extent to which a government is living within its means.
- *Annual Net Income (Loss)-to-Provincial GDP:* the extent to which current period results influenced net debt.

La situation financière du gouvernement en 2014-2015

La présente section décrit la santé financière du gouvernement à l'aide des trois catégories d'indicateurs de CPA Canada, soit la durabilité, la flexibilité et la vulnérabilité. Elle décrit également chacune des catégories et les indicateurs qui y sont associés. Pour chacun des indicateurs, elle fournit des données sur les tendances dans la province et souligne les principales tendances.

Durabilité

Comme nous l'avons indiqué plus tôt, la durabilité mesure la capacité d'un gouvernement d'assumer les engagements pris dans le cadre de ses programmes et de répondre aux exigences de ses créanciers sans avoir à accroître ses emprunts ou le fardeau fiscal.

L'observation des tendances qui se dégagent des cinq indicateurs suivants permet de se faire une idée concrète de la durabilité des pratiques du gouvernement en matière de dépenses et de production de recettes :

- *la dette nette en pourcentage du PIB provincial :* la relation entre la dette nette d'un gouvernement et les résultats de l'économie;
- *la dette nette en pourcentage des recettes annuelles totales :* la mesure dans laquelle les recettes à venir serviront à payer des opérations ou des événements passés;
- *le déficit accumulé en pourcentage du PIB provincial :* la mesure dans laquelle les déficits et les excédents passés et actuels influent sur la capacité d'un gouvernement de gérer son endettement et les difficultés dans ses activités;
- *les recettes nettes (pertes nettes) annuelles :* la mesure dans laquelle le gouvernement vit selon ses moyens;
- *les recettes nettes (pertes nettes) annuelles en pourcentage du PIB provincial :* la mesure dans laquelle les résultats de la période courante influent sur la dette nette.

Net Debt as a Percentage of Provincial GDP

The Government manages its revenue-raising and spending practices with due regard to the provincial economy. Looking at net debt and provincial GDP provides insights into these practices.

Net debt - the difference between a government's total liabilities and total financial assets - provides a measure of the future revenue required to pay for past transactions and events. Net debt as a percentage of provincial GDP measures the level of future financial obligations placed on the economy by a government's cumulative spending and revenue-raising practices. It provides a measure of how much debt a government is carrying relative to the Province's annual economic output.

Investment in capital improvements and replacement of deteriorating tangible capital assets, such as transportation infrastructure, also result in increased net debt. As the tangible capital investments are acquired, debt is incurred and the costs are amortized over their future useful life, essentially allocating costs to the period over which the assets will be used and over a period in which revenue will be generated.

Growth in GDP must be taken into account to determine capacity to support debt. The GDP is a measure of the value of the goods and services produced in the Province during a given year. The GDP indicates the size of the provincial economy. The provincial economy grew steadily from $52,934 million in 2010/11 to $63,633 million in 2014/15 or by 20.2% during the five-year period. During this period, the annual consumer price index fluctuated between 0.8% and 3.0%.

Graph 1 shows the net debt to GDP ratio at March 31, 2015 was 29.8%, compared to 28.2% in the previous year. The increase in net debt in 2014/15 is primarily related to investments in tangible capital assets, including infrastructure spending, and the operating loss. Continued investment in infrastructure, including repairing the damage caused by the 2011 flood and the investments to mitigate the impact of any future flood costs, has resulted in costs similar to those seen in 2013/14.

La dette nette en pourcentage du PIB provincial

Le gouvernement adapte ses pratiques en matière de dépenses et de production de recettes en fonction de l'économie de la province. Le ratio entre la dette nette et le PIB provincial donne un aperçu des résultats de ces pratiques.

La dette nette, c.-à-d. le total des passifs du gouvernement moins le total de ses actifs financiers, donne une indication des recettes futures qui devront être utilisées pour assumer financièrement des opérations ou des événements passés. La dette nette en pourcentage du PIB provincial exprime le niveau d'obligations financières que devra assumer l'économie en raison des pratiques cumulatives en matière de dépenses et de production de recettes du gouvernement. Le pourcentage représente l'ampleur de la dette du gouvernement par rapport aux résultats économiques annuels de la province.

Des investissements dans l'amélioration des immobilisations et dans le remplacement des immobilisations corporelles sujettes à la détérioration, comme les infrastructures de transport, peuvent également accroître la dette nette. Au fur et à mesure que la province acquiert des immobilisations corporelles, elle contracte une dette, et le coût des nouvelles immobilisations est amorti sur leur vie utile, essentiellement en le passant en charges sur la période pendant laquelle les immobilisations seront utilisées et sur la période pendant laquelle elles produiront des recettes.

La croissance du PIB doit être prise en compte pour déterminer la capacité d'endettement. Le PIB est une mesure de la valeur des biens et des services produits dans la province au cours d'une année donnée. Il indique la taille de l'économie provinciale. L'économie provinciale a progressé de façon constante, passant de 52 934 millions de dollars en 2010-2011 à 63 633 millions de dollars en 2014-2015, ce qui représente une croissance de 20,2 % sur la période de cinq ans. Pendant cette période, l'indice annuel des prix à la consommation a oscillé entre 0,8 % et 3,0 %.

Le diagramme 1 montre que le ratio de la dette nette au PIB était de 29,8 % au 31 mars 2015, contre 28,2 % à la fin de l'exercice précédent. L'augmentation de la dette nette en 2014-2015 est principalement liée aux investissements en immobilisations corporelles, notamment les dépenses en matière d'infrastructure, et à la perte d'exploitation. La poursuite des investissements dans l'infrastructure, dont la réparation des dommages causés par l'inondation de 2011 et les mesures d'atténuation des répercussions des coûts liés à toute inondation future, a engendré des dépenses

Net debt for 2014/15 included a loss in other comprehensive income (OCI) of $319 million, recorded by government business enterprises (GBEs). OCI represents unrealized gains or losses calculated at a point in time and can have significant impact on the measurement of net debt. OCI is measured as the change in "mark-to-market" valuations, interest rates, and foreign exchange rates at year end, and therefore is a one-day snapshot of the change in value when compared to the same day in the previous year.

Managing net debt while maintaining or increasing investment in capital is a challenge faced by many provinces in Canada today. Global uncertainty has had an impact on growth; however, Manitoba has continued to remain strong averaging 2.5% in annual real GDP growth from 2009 to 2014. This level of growth puts Manitoba fourth best among all the provinces in economic growth for this period.

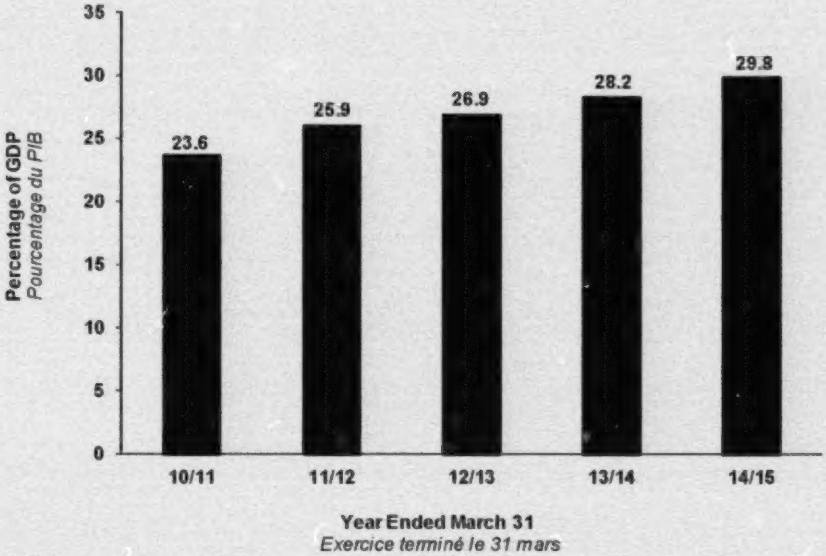
similaires à celles enregistrées en 2013-2014.

La dette nette pour 2014-2015 comprenait au niveau des autres éléments du résultat étendu une perte de 319 millions de dollars enregistrée par les entreprises publiques. Les autres éléments du résultat étendu représentent les profits ou pertes non réalisés calculés à un moment donné, et peuvent avoir des effets importants sur la mesure de la dette nette. Ils sont mesurés par rapport au changement dans les évaluations à la valeur de marché, dans les taux d'intérêt et dans les cours des devises étrangères en fin d'exercice, et donnent donc un aperçu ponctuel du changement des valeurs par rapport au même jour de l'exercice précédent.

Gérer la dette nette tout en maintenant ou en augmentant les investissements en immobilisations est un défi auquel de nombreuses provinces canadiennes sont aujourd'hui confrontées. Le climat d'incertitude mondiale a un effet sur la croissance; toutefois, le Manitoba continue d'obtenir de bons résultats, enregistrant une croissance annuelle moyenne du PIB réel de 2,5 % de 2009 à 2014. Ce chiffre place le Manitoba au quatrième rang des provinces du point de vue de la croissance économique pendant cette période.

Graph 1/Diagramme 1

Net Debt as a Percentage of Provincial GDP
Dette nette en pourcentage du PIB provincial



Net Debt-to-Total Annual Revenue

Net debt is the amount that current and past generations have accumulated through annual losses and tangible capital investment. These amounts remain an obligation for future generations to fund through annual net income or to continue to carry as debt. It results when a government's total liabilities exceed total financial assets. A trend of increasing net debt-to-total annual revenue would indicate that an increasing amount of time will be needed to eliminate net debt.

Since 2010/11, net-debt-to-total annual revenue has increased from 95.6% to 128.7%, reflecting the impact of the economic downturn and increased investments in tangible capital assets, including continued infrastructure spending to stimulate the economy. Graph 2 shows the historical trend of net debt to annual revenues.

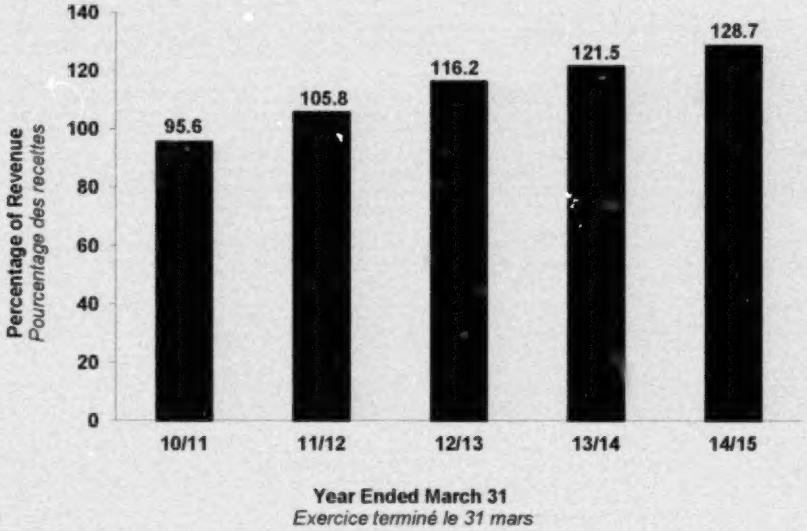
La dette nette en pourcentage des recettes annuelles totales

La dette nette correspond à la somme des pertes et des investissements en immobilisations corporelles accumulée d'exercice en exercice par les générations actuelles et passées. Cette somme est une dette que les générations futures doivent continuer à reporter ou financer à même les recettes nettes annuelles. On obtient une dette nette lorsque le total des passifs d'un gouvernement excède le total de ses actifs financiers. Une tendance à l'augmentation de la dette nette par rapport aux recettes annuelles totales signifierait que plus de temps serait nécessaire à l'élimination de la dette nette.

Depuis 2010-2011, le ratio de la dette nette aux recettes annuelles totales est passé de 95,6 % à 128,7 %, reflétant les effets du ralentissement économique et la croissance des investissements en immobilisations corporelles, lesquels comprennent la poursuite des dépenses de relance dans l'infrastructure. Le diagramme 2 illustre l'évolution historique de la dette nette par rapport aux recettes annuelles.

Graph 2/Diagramme 2

Net Debt to Total Annual Revenue
Dette nette en pourcentage des recettes annuelles totales



Accumulated Deficit-to-Provincial GDP

The accumulated deficit is the sum of all annual surpluses and deficits incurred to date, calculated according to current accounting policies. The

Le déficit accumulé en pourcentage du PIB provincial

Le déficit accumulé est la somme de tous les excédents et déficits accumulés d'exercice en exercice jusqu'à ce jour, obtenue d'après des calculs conformes aux

accumulated deficit includes OCI, which is excluded from the calculation of the annual net income or loss. In accordance with recommendations of PSAB, OCI is not included in the Government's annual net operating results, but is instead recorded directly to the Province's statement of accumulated deficit. An OCI loss of $319 million was recognized for 2014/15 (2013/14 - $167 million loss).

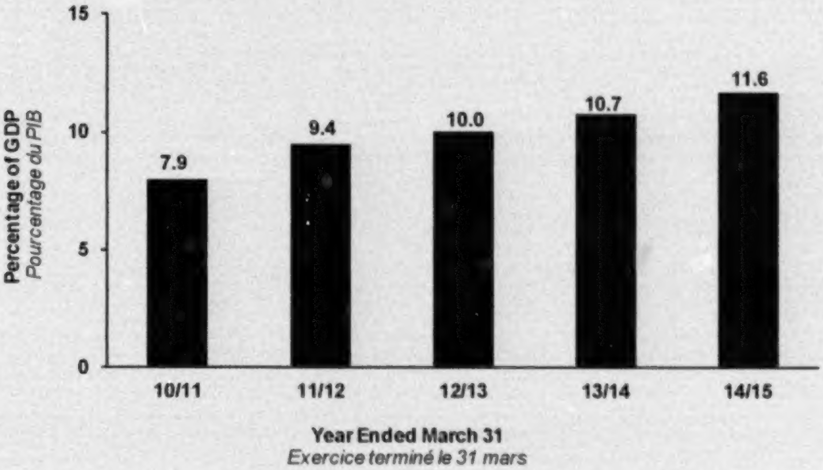
The accumulated deficit as at March 31, 2015 increased $3,183 million from 2010/11. Increases are primarily the result of the Province's losses incurred in the economic recovery period, mainly as a result of the global economic downturn and costs attributable to the unprecedented flood of 2011. Graph 3 shows the trend in accumulated deficit to provincial GDP since 2010/11.

méthodes comptables en vigueur. Il comprend les autres éléments du résultat étendu, qui sont exclus du calcul des recettes nettes ou des pertes nettes de l'exercice. Conformément aux recommandations du Conseil sur la comptabilité dans le secteur public (CCSP), les autres éléments du résultat étendu (gains ou pertes) ne sont pas compris dans les résultats nets des activités de l'exercice du gouvernement, mais sont plutôt inscrits directement dans l'état du déficit accumulé de la Province. En 2014-2015, des pertes de 319 millions de dollars ont été inscrites au titre des autres éléments du résultat étendu (contre 167 millions de dollars de pertes en 2013-2014).

Au 31 mars 2015, le déficit accumulé avait augmenté de 3 183 millions de dollars par rapport à 2010-2011. Cette augmentation a été principalement due aux pertes encourues pendant la période de reprise économique, qui sont elles-mêmes essentiellement liées au ralentissement économique mondial et aux coûts attribuables aux inondations sans précédent de 2011. Le diagramme 3 montre l'évolution du déficit accumulé en pourcentage du PIB provincial depuis 2010-2011.

Graph 3/Diagramme 3

Accumulated Deficit-to-Provincial GDP
Déficit accumulé en pourcentage du PIB provincial



Annual Net Income (Loss)

The annual net income (loss) shows the extent to which a government generates revenues more or less than its operating expenses in one fiscal year.

Les recettes nettes (pertes nettes) annuelles

Les recettes (pertes) nettes montrent la mesure dans laquelle le gouvernement génère plus ou moins de recettes que ses dépenses de fonctionnement pendant un exercice financier.

Annual net income helps the Government maintain its services and provides an opportunity to lessen its borrowing needs. Annual net losses can impact a government's ability to deliver services and increase borrowing requirements.

Manitoba incurred a net loss for the year ended March 31, 2015 of $452 million. Manitoba is taking a responsible and balanced approach to stimulating the economy; however, they continue to focus on spending intended to stimulate the economy and drive growth. This creates opportunities for skilled workers and entrepreneurial energy. Government spending in education and training resources will allow Manitobans to capitalize on these opportunities and will stimulate growth in the long-term.

Annual Net Income (Loss)-to-Provincial GDP

The ratio of net income(loss)-to-provincial GDP measures the difference between revenues and expenses expressed as a percentage of GDP. This ratio has been steadily declining since 2011/12.

Like many other provinces and the Government of Canada, Manitoba is also experiencing the lingering effects of the global recession and the slowdown in the global recovery.

Table 1 shows the five year trend in annual income.

Les recettes nettes annuelles aident le gouvernement à maintenir ses services et à réduire ses besoins en matière d'emprunts. Les pertes nettes annuelles peuvent affecter la capacité d'un gouvernement à fournir des services et accentuer les besoins d'emprunts.

Le Manitoba a enregistré pour l'exercice qui s'est terminé le 31 mars 2015 une perte nette de 452 millions de dollars. Le gouvernement applique une approche responsable et équilibrée pour stimuler l'économie; il continue néanmoins de s'axer sur les dépenses visant à renforcer l'économie et à alimenter la croissance. Cela crée des débouchés pour les travailleurs qualifiés et libère l'énergie entrepreneuriale. Les dépenses gouvernementales en éducation et dans les ressources de formation permettront aux Manitobaines et Manitobains de mettre ces débouchés à profit et stimuleront la croissance à long terme.

Les recettes nettes (pertes nettes) en pourcentage du PIB provincial

Le ratio des recettes nettes au PIB provincial mesure la différence entre les recettes et les dépenses en pourcentage du PIB. Ce ratio est en baisse régulière depuis 2011-2012.

Comme beaucoup d'autres provinces et le gouvernement fédéral, le Manitoba connaît lui aussi les effets persistants de la récession mondiale et le ralentissement de la reprise mondiale.

Le tableau 1 montre l'évolution des recettes annuelles sur cinq ans.

Table 1/Tableau 1

Annual Net Income (Loss)
Recettes nettes (Pertes nettes) annuelles

Revenue and Expense Items *Éléments des recettes et des dépenses*	**2014/2015 Actual** *Chiffres réels de 2014-2015*	**2013/2014 Actual** *Chiffres réels de 2013-2014*	**2012/2013 Actual** *Chiffres réels de 2012-2013*	**2011/2012 Actual** *Chiffres réels de 2011-2012*	**2010/2011 Actual** *Chiffres réels de 2010-2011*
	($ millions)/*(en millions de dollars)*				
Revenue *Recettes*	14,739	14,214	13,614	13,688	13,069
Total Expenses *Dépenses totales*	15,191	14,736	14,174	14,689	13,250
Summary Net Income (Loss) *Recettes (pertes) nettes sommaires*	(452)	(522)	(560)	(1,001)	(181)
Annual Net Income (Loss) to Provincial GDP *Recettes (pertes) nettes en pourcentage du PIB provincial*	(0.7%)	(0.9%)	(1.0%)	(1.8%)	(0.3%)

Flexibility

Flexibility is the degree to which a government can increase financial resources to respond to rising commitments either by expanding its revenue or by increasing its net debt.

PSAB has recommended a number of financial indicators that assess a government's flexibility. The following indicators are considered applicable to provide insight into the Manitoba Government's flexibility:

- *Public Debt Charges to Total Revenue:* the extent to which borrowing decisions constrain a government's ability to meet financial and service commitments.
- *Own-source Revenue to Provincial GDP:* the extent to which a government is taking income out of the economy through taxation and user fees.
- *Annual Change to Net Book Value of Tangible Capital Assets:* the extent to which net changes in tangible capital assets affect future service potential.
- *Net Book Value of Tangible Capital Assets to Cost of Tangible Capital Assets:* the extent to which the estimated useful lives of the Government's tangible capital assets are available to provide its products and services.

Public Debt Charges to Total Revenue

The amount of public debt charges as a percentage of total revenue shows the extent to which a government must use revenue to pay for interest costs rather than to pay for services. The ratio shows how much of every dollar of a government's revenue is needed to pay interest. A lower ratio of interest costs as a percentage of revenue means a government uses a smaller proportion of its revenue to pay for interest costs.

Graph 4 shows that in 2010/11, the Government used 5.9 cents of every dollar of revenue to pay interest. In 2014/15, only 5.7 cents of every dollar of revenue was used. This is again the lowest in ten years. The reductions in interest costs relative to increases in revenue have given the Government more resources to provide services.

Flexibilité

La flexibilité mesure la capacité d'un gouvernement d'augmenter ses ressources financières en augmentant ses recettes ou sa dette nette pour faire face à des engagements croissants.

Le Conseil sur la comptabilité dans le secteur public recommande l'usage de divers indicateurs financiers pour juger de la flexibilité du gouvernement. Parmi ceux-ci, on considère que les indicateurs suivants aident à apprécier la flexibilité du gouvernement du Manitoba :

- *les frais de la dette publique en pourcentage des recettes totales :* mesure dans laquelle les décisions en matière d'emprunts restreignent la capacité d'un gouvernement de faire face à ses engagements financiers et d'assurer la prestation des services prévus;
- *les recettes autonomes en pourcentage du PIB provincial :* mesure dans laquelle le gouvernement retire des recettes de l'économie sous forme d'impôts et de droits d'utilisation;
- *la variation annuelle de la valeur comptable nette des immobilisations corporelles :* mesure dans laquelle la variation nette des immobilisations corporelles touche le potentiel futur de services;
- *la valeur comptable nette des immobilisations corporelles en pourcentage de leur coût :* mesure dans laquelle la vie utile estimative des immobilisations corporelles d'un gouvernement lui permet de fournir des produits et des services.

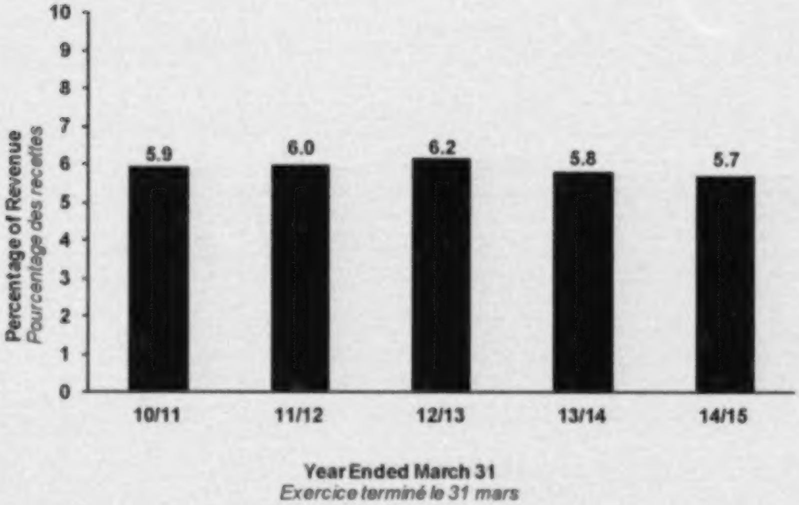
Les frais de la dette publique en pourcentage des recettes totales

La somme des frais de la dette publique en pourcentage des recettes totales montre la mesure dans laquelle un gouvernement doit utiliser des recettes pour payer des frais d'intérêt plutôt que des services. Le ratio montre la proportion par dollar de recettes du gouvernement qui sert à payer les intérêts. Un faible ratio entre les frais d'intérêt et les recettes indique que le gouvernement consacre une faible part de ses recettes aux frais d'intérêt.

Au diagramme 4, on observe qu'en 2010-2011, le gouvernement utilisait 5,9 cents par dollar de recettes pour assumer les frais d'intérêt. En 2014-2015, seulement 5,7 cents par dollar de recettes étaient utilisés aux mêmes fins. Ce pourcentage est de nouveau le taux le plus bas en dix ans. La réduction des frais d'intérêt parallèlement à l'augmentation des recettes a fait en sorte que le gouvernement dispose de plus de ressources qu'avant pour la prestation de services.

Graph 4/Diagramme 4

Public Debt Charges to Total Revenue
Frais de la dette publique en pourcentage des recettes totales



Own-source Revenue to Provincial GDP

A government's own-source revenue as a percentage of provincial GDP shows how much revenue a government raises through its provincial economy via taxation and user fees. High ratios or increases in ratios mean a government is placing higher demands on its provincial economy indicating that its demands are outpacing growth in the economy.

Since 2010/11, Government's own-source revenue has been consistent. This indicates that Government has not significantly changed its normal demands on the provincial economy over this time period.

In this report, own-source revenue does not include the net income from GBEs, as these entities operate outside of the core government operations, given the semi-autonomous nature of their operations. Their revenues are not derived from taxation or user fees, but from the supply of products or services.

Les recettes autonomes en pourcentage du PIB provincial

Les recettes autonomes en pourcentage du PIB provincial montrent la part de recettes qu'un gouvernement tire de l'économie provinciale sous forme d'impôts et de droits d'utilisation. Des ratios élevés ou à la hausse signifient que le gouvernement augmente les pressions qui s'exercent sur l'économie provinciale, indiquant que ses besoins dépassent la croissance de l'économie.

Depuis 2010-2011, les recettes autonomes du gouvernement sont demeurées stables. Cela indique que le gouvernement n'a pas changé de manière significative ses exigences sur l'économie de la province au cours de cette période.

Dans ce rapport, les recettes autonomes ne comprennent pas les bénéfices nets des entreprises publiques étant donné que les opérations de ces entités sont exclues des opérations fondamentales du gouvernement en raison de leur nature semi-autonome. Leurs recettes ne proviennent pas d'impôts ou de droits d'utilisation, mais de l'offre de produits ou de services.

Graph 5 shows the relationship between own-source revenue and Provincial GDP. GDP increased from $52,934 million in 2010/11 to $63,633 million in 2014/15 or 20.2%. The rate of own-source revenues remained stable in relation to the economy representing 15.5% of GDP in 2010/11 versus 15.8% in 2014/15. Own-source revenues increased by $418 million or 4.3% from $9,613 million in 2013/14 to $10,031 million in 2014/15. The main contributors to the increase from prior year are:

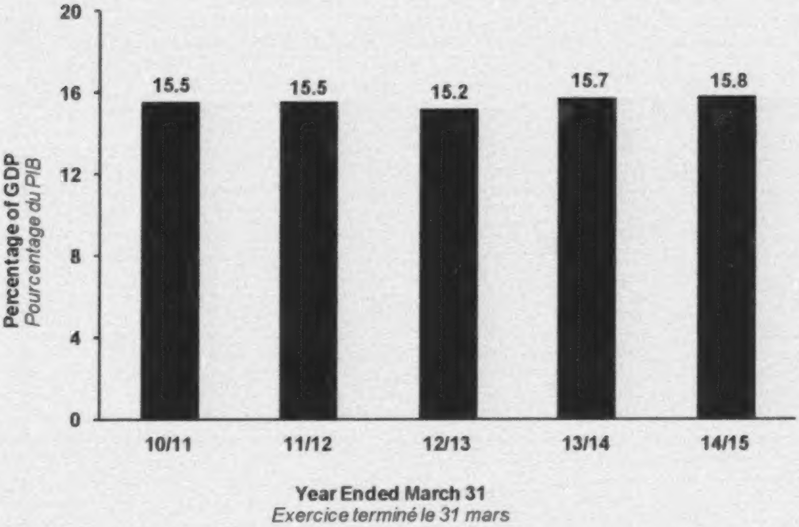
- Income taxes, which increased $233 million, or 6.8%.
- Retail sales tax, which increased $177 million, or 8.7%.

Le diagramme 5 montre la relation entre les recettes autonomes et le PIB provincial. Le PIB est passé de 52 934 millions de dollars en 2010-2011 à 63 633 millions de dollars en 2014-2015, soit une hausse de 20,2 %. Le pourcentage des recettes autonomes par rapport à l'économie est demeuré stable, passant de 15,5 % du PIB en 2010-2011 à 15,8 % en 2014-2015. Les recettes autonomes ont augmenté de 418 millions de dollars (4,3 %) et sont passées de 9 613 millions de dollars en 2013-2014 à 10 031 millions de dollars en 2014-2015. Les principaux facteurs de cette augmentation par rapport à l'exercice précédent sont les suivants :

- les impôts sur le revenu, qui se sont accrus de 233 millions de dollars, soit de 6,8 %.
- La taxe sur les ventes au détail, qui s'est accrue de 177 millions de dollars, soit 8,7 %.

Graph 5/Diagramme 5

Own Source Revenue to Provincial GDP
Recettes autonomes en pourcentage du PIB provincial



Annual Change to Net Book Value of Tangible Capital Assets

Tangible capital assets (TCAs) such as buildings, equipment, roads and dams are essential for the economy and for delivering government services.

La variation annuelle de la valeur comptable nette des immobilisations corporelles

Les immobilisations corporelles, comme les immeubles, l'équipement, les routes et les barrages, sont essentielles à l'économie et à la prestation des services publics.

The annual change in the net book value of tangible capital assets measures the extent to which a government is maintaining, or failing to maintain, the assets it needs to deliver its services. An increase means a government has spent more on its assets than has been reduced because of age and use, commonly referred to as amortization or depreciation.

Continual increases in the net book value of tangible capital assets indicates that a government is maintaining or enhancing its tangible capital asset base, which may lead to lower future maintenance or replacement costs because of decreased deterioration. Investing in TCAs creates jobs, promotes economic growth and ensures the continued provision of future services.

By recognizing the growing infrastructure needs in various sectors and the need to support continued growth in the economy, the Government is investing in public capital assets such as new or renewed hospitals, universities and colleges, and Manitoba's highway system. In 2014/15, the Government invested $1,534 million in new tangible capital assets. There were $62 million in disposals or write downs and the net book value of all tangible capital assets was reduced by $595 million in annual amortization. The Governments tangible capital assets had a net book value of $11,461 million at March 31, 2015 ($10,599 million at March 31, 2014).

Net Book Value of Tangible Capital Assets to Cost of Tangible Capital Assets

The ratio of the net book value of tangible capital assets to the cost of tangible capital assets illustrates the relationship between the estimated useful life of government assets and their availability to provide future service.

The ratio in Graph 6 below demonstrates that the Government has been consistent in its management of capital. Total tangible capital cost increased $1,377 million from $17,873 million in 2013/14 to $19,250 million in 2014/15. Total additions to capital assets in 2014/15 were $1,534 million (2013/14 - $1,333 million). The total cost of assets under construction, including infrastructure, as at March 31, 2015 was $1,340 million (2013/14 - $1,141 million). Assets under construction are not amortized until they are put into service. The $1,534 million in

La variation annuelle de la valeur comptable nette des immobilisations corporelles indique la mesure dans laquelle un gouvernement entretient ou omet d'entretenir les actifs dont il a besoin pour fournir ses services. Une hausse signifie que le gouvernement a investi plus dans ses actifs que la valeur perdue par ceux-ci en raison de l'âge et de l'usure (appelée communément amortissement ou dépréciation).

La hausse continuelle de la valeur comptable nette des immobilisations corporelles indique qu'un gouvernement entretient ou améliore ses immobilisations corporelles dans leur ensemble, ce qui peut entraîner une réduction des coûts futurs d'entretien et de remplacement en raison d'une détérioration moindre. Investir dans les immobilisations corporelles crée des emplois, favorise la croissance économique et assure la fourniture continue de services futurs.

Reconnaissant les besoins croissants en infrastructure dans divers secteurs et la nécessité de soutenir la croissance continue dans l'économie, le gouvernement investit dans les immobilisations publiques, comme la rénovation ou la construction d'hôpitaux, d'universités et de collèges, et dans le réseau routier du Manitoba. En 2014-2015, le gouvernement a investi 1 534 millions de dollars dans de nouvelles immobilisations corporelles. Les immobilisations cédées ou dévaluées ont atteint 62 millions de dollars, et la valeur nette comptable de l'ensemble des immobilisations corporelles a été réduite de 595 millions de dollars en amortissement annuel. La valeur comptable nette des immobilisations corporelles du gouvernement s'élevait à 11 461 millions de dollars le 31 mars 2015 (contre 10 599 millions de dollars au 31 mars 2014).

La valeur comptable nette des immobilisations corporelles en pourcentage de leur coût

Le ratio de la valeur comptable nette des immobilisations corporelles à leur coût illustre la relation entre la vie utile estimative des actifs du gouvernement et leur disponibilité pour fournir des services futurs.

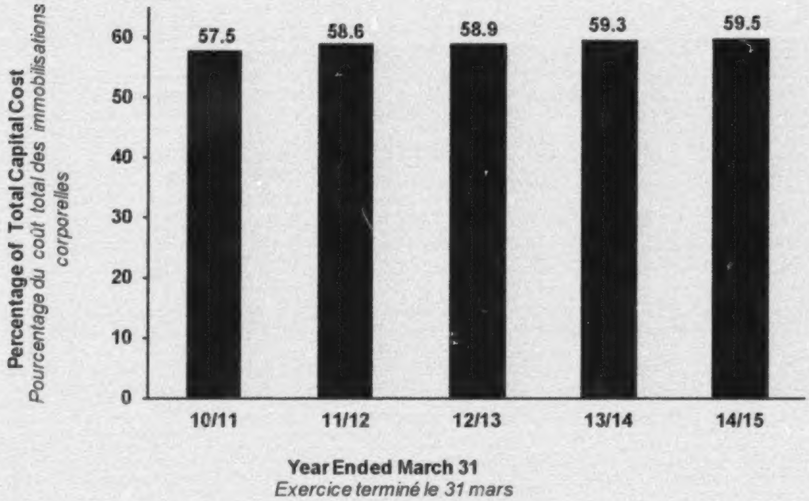
Le ratio illustré au diagramme 6 ci-après montre que le gouvernement a fait preuve de constance dans sa gestion des immobilisations. Le coût global des immobilisations corporelles a augmenté de 1 377 millions de dollars, passant de 17 873 millions de dollars en 2013-2014 à 19 250 millions de dollars en 2014-2015. Le total des acquisitions d'immobilisations en 2014-2015 était de 1 534 millions de dollars (1 333 millions de dollars en 2013-2014). Pour l'exercice terminé le 31 mars 2015, le coût global des immobilisations en construction y compris les infrastructures, était de 1 340 millions de dollars

additions includes $521 million for buildings and leasehold improvements and $609 million for infrastructure projects, such as road grading and surfacing and a number of bridge and structure projects.

(contre 1 141 millions de dollars en 2013-2014). L'amortissement des immobilisations en construction ne débute qu'à partir de leur mise en service. Les 1 534 millions de dollars d'acquisitions comprennent 521 millions pour la construction de bâtiments et des améliorations locatives, ainsi que 609 millions de dollars pour des projets d'infrastructure comme le nivellement et le surfaçage des routes et plusieurs projets de ponts et autres ouvrages.

Graph 6/Diagramme 6

Net Book Value of Tangible Capital Assets to Cost of Tangible Capital Assets
Valeur comptable nette des immobilisations corporelles en pourcentage de leur coût



Vulnerability

Vulnerability is the degree to which a government is dependent upon, and therefore, vulnerable to fluctuations in sources of revenue outside of its direct control or influence. A high degree of dependency may indicate a government is reliant on outside sources to deliver programs and services at the current level and quality. Changes in outside sources of revenue due to capital projects and other one-time or non-operational programs does not indicate a material increase in a government's revenue vulnerability.

Recommended indicators for providing insight into the Government's vulnerability include:

Vulnérabilité

La vulnérabilité correspond au degré de dépendance du gouvernement, et donc de vulnérabilité aux fluctuations, par rapport aux sources de recettes qui ne dépendent pas directement de lui ni de son influence. Un degré de dépendance élevé peut indiquer qu'un gouvernement compte sur des sources externes pour offrir ses programmes et services au niveau et au degré de qualité actuels. Des fluctuations des sources extérieures de recettes liées aux projets d'immobilisation et à d'autres programmes non récurrents ou qui ne sont pas liés au fonctionnement n'indiquent pas une augmentation sensible de la vulnérabilité d'un gouvernement du point de vue des sources de recettes.

Les indicateurs recommandés pour apprécier la vulnérabilité du gouvernement comprennent :

- *Federal Transfers to Own-source Revenue;*
- *Federal Transfers to Total Revenue; and*
- *Foreign Currency Debt to Net Debt.*

Revenue from Federal Government Transfers

Transfers from the Government of Canada are a significant source of revenue for Manitoba, accounting for 25.8% of total revenues in 2014/15, down from 26.9% in 2013/14. This indicates the Province's fiscal position is somewhat vulnerable, at least in the short term, to material reductions in federal transfers.

Major federal transfers include the Equalization Program, the Canada Health Transfer and the Canada Social Transfer.

The Equalization Program is the Government of Canada's transfer program for addressing revenue generating disparities among provinces. It was entrenched in Canada's Constitution in 1982. Equalization payments are intended to make it possible for receiving provinces to provide their residents with public services that are reasonably comparable to those in other provinces, at reasonably comparable levels of taxation.

Manitoba received $1,750 million in Equalization payments in 2014/15. Equalization accounted for about 12.0% of total 2014/15 summary provincial revenues.

The Canada Health Transfer (CHT) and Canada Social Transfer (CST) have been legislated out to 2023/24.

Manitoba received $1,621 million in combined CHT and CST revenues in 2014/15, or about 11.0% of total provincial summary revenues.

Federal support through these programs enhances the provincial funds available to provide essential services in areas such as health care, post-secondary education, child programming and social services.

- *les transferts fédéraux en pourcentage des recettes autonomes;*
- *les transferts fédéraux en pourcentage des recettes totales;*
- *la dette en devises en pourcentage de la dette nette.*

Les recettes provenant des transferts du gouvernement fédéral

Les transferts du gouvernement du Canada constituent une source de revenus importante pour le Manitoba, représentant 25,8 % du total des recettes en 2014-2015 (une baisse par rapport aux 26,9 % de 2013-2014). Cela révèle que la situation financière de la Province est relativement vulnérable, au moins à court terme, à des réductions importantes des transferts fédéraux.

Les principaux transferts fédéraux comprennent le Programme de péréquation, le Transfert canadien en matière de santé et le Transfert canadien en matière de programmes sociaux.

Le Programme de péréquation est le programme de transfert du gouvernement du Canada conçu pour aplanir les disparités en matière de génération de recettes entre les provinces. Il a été inscrit dans la Constitution du Canada en 1982. L'objectif des paiements de péréquation est de permettre aux gouvernements provinciaux bénéficiaires de fournir à leurs résidents des services publics sensiblement comparables à ceux offerts dans d'autres provinces à des taux d'imposition sensiblement comparables.

En 2014-2015, le Manitoba a reçu 1 750 millions de dollars en paiements de péréquation. Les paiements de péréquation représentaient environ 12,0 % du total des recettes sommaires provinciales en 2014-2015.

Le Transfert canadien en matière de santé (TCS) et le Transfert canadien en matière de programmes sociaux (TCPS) sont inscrits dans la loi jusqu'en 2023-2024.

En 2014-2015, le Manitoba a reçu 1 621 millions de dollars en paiements combinés du TCS et du TCPS, soit environ 11,0 % du total des recettes sommaires provinciales.

Le soutien du gouvernement fédéral dans le cadre de ces programmes accroît les fonds provinciaux disponibles pour assurer des services essentiels dans des domaines tels que les soins de santé, l'enseignement postsecondaire, les programmes destinés aux enfants et les services sociaux.

These transfers with their annual automatic escalators have helped ensure stable and predictable federal support over the medium-term. However, recent changes implemented by the Federal Government will have some impact on future entitlements. The annual CHT escalator will fall from 6% to the rate of growth of nominal GDP, with a guaranteed minimum growth rate of three per cent per year beginning in 2017/18.

The 3% annual CST growth escalator is below the projected growth rate of spending for associated programming and the CHT covers less than a quarter of healthcare costs. As of 2014/15, both the CST and CHT are now allocated on an equal per capita cash basis, meaning Equalization is now the only major federal transfer program that takes into account differences in provincial revenue-raising capacity.

The current outlook for transfers from the Government of Canada is based on existing federal-provincial-territorial funding arrangements. While the Province has no direct control over the amount it receives each year, it does have some opportunity to influence the framework and direction of fiscal transfers through consultations with the Government of Canada.

Federal Transfers to Own-source Revenue

Federal transfers as a percentage of own-source revenue measures the extent to which a province raises its own revenue compared to the amount it receives from the Government of Canada. A high percentage may indicate a provincial government relies too heavily on federal transfers to operate. Where federal funds are applied to capital projects, one-time programs or used for other non-operational purposes, reliance may not be substantially increased.

An increase in a province's own-source revenue typically makes it less vulnerable to unanticipated changes in levels of federal transfers. It also enhances its ability to fund provincial programs, invest in infrastructure, and to continue to fully fund programs initiated with federal one-time transfers once federal funding has ceased. The ratio of federal transfers to own-source revenue may vary from year-to-year as a result of increases or decreases in a government's own-source revenue.

Ces transferts, assortis de leurs facteurs de progression annuelle, contribuent à garantir un appui fédéral stable et prévisible à moyen terme. Toutefois, les changements récemment mis en œuvre par le gouvernement fédéral auront des répercussions sur les droits futurs. Le facteur de progression annuel du TCS baissera, passant de 6 % au taux de croissance du PIB nominal, avec un taux de croissance minimal garanti de 3 % à compter de 2017-2018.

Le facteur de progression annuelle du TCPS (3 %) est inférieur au taux de croissance prévu des dépenses pour les programmes connexes et le TCS couvre moins d'un quart des dépenses de santé. Depuis 2014-2015, le TCPS et le TCS sont désormais calculés selon un montant en espèces égal par habitant, ce qui signifie que la péréquation est désormais le seul grand programme de transfert fédéral qui tient compte des différences au niveau de la capacité provinciale de générer des recettes.

Les perspectives actuelles d'évolution des transferts du gouvernement du Canada sont fondées sur les modalités existantes du financement fédéral-provincial-territorial. Bien que la province n'exerce pas de contrôle direct sur le montant qu'elle reçoit chaque année, elle a tout de même une certaine influence sur les grandes lignes et l'orientation des transferts fiscaux dans le cadre de ses consultations avec le gouvernement du Canada.

Les transferts fédéraux en pourcentage des recettes autonomes

Le ratio des transferts fédéraux aux recettes autonomes établit le rapport entre les fonds versés par le gouvernement du Canada et les recettes perçues directement par une province. Un pourcentage élevé peut indiquer que le gouvernement provincial dépend trop fortement des transferts fédéraux pour mener ses activités. Les fonds fédéraux affectés aux projets d'immobilisation et à d'autres programmes non récurrents ou qui ne sont pas liés au fonctionnement n'augmentent pas nécessairement cette dépendance de façon significative.

Une augmentation des recettes autonomes d'une province la rend habituellement moins vulnérable aux changements imprévus touchant les niveaux de transferts fédéraux. Elle augmente aussi sa capacité de financer les programmes provinciaux, d'investir dans l'infrastructure et de continuer à financer pleinement les programmes lancés grâce à des transferts fédéraux non récurrents lorsque le financement fédéral prend fin. Le ratio des transferts fédéraux aux recettes autonomes peut varier d'un exercice à l'autre à la suite de l'augmentation ou de la diminution des recettes autonomes du gouvernement.

Overall federal transfers decreased by $9 million in 2014/15 due to a $49 million decline in Equalization and a $57 million decrease in funding from shared-cost arrangements, offset by a $97 million increase in Canada Health and Social transfers. Shared-cost agreements include programs such as infrastructure renewal funding, disaster financial assistance, shared agricultural programs and shared capital refinancing.

Federal Transfers to Total Revenue

The ratio of federal transfers to total revenue indicates the vulnerability of provinces to changes in transfer support from the Government of Canada.

Graph 7 shows the ratio of federal transfers to total provincial revenue has decreased from 2010/11 to 2014/15. This decrease indicates the Province is relying less on federal transfers for revenue to fund programs and services demonstrating Manitoba's gradually decreasing vulnerability to changes in federal transfer support.

En 2014-2015, le total des transferts du gouvernement fédéral a baissé de 9 millions de dollars en raison d'une baisse de 49 millions de dollars des paiements de péréquation et de 57 millions de dollars des fonds versés dans le cadre des ententes relatives aux frais partagés, compensée par une augmentation de 97 millions de dollars des transferts en matière de santé et de programmes sociaux. Les ententes relatives aux frais partagés incluent notamment des programmes agricoles partagés et des programmes de financement de renouvellement de l'infrastructure, d'aide financière en cas de catastrophe et de refinancement partagé des immobilisations.

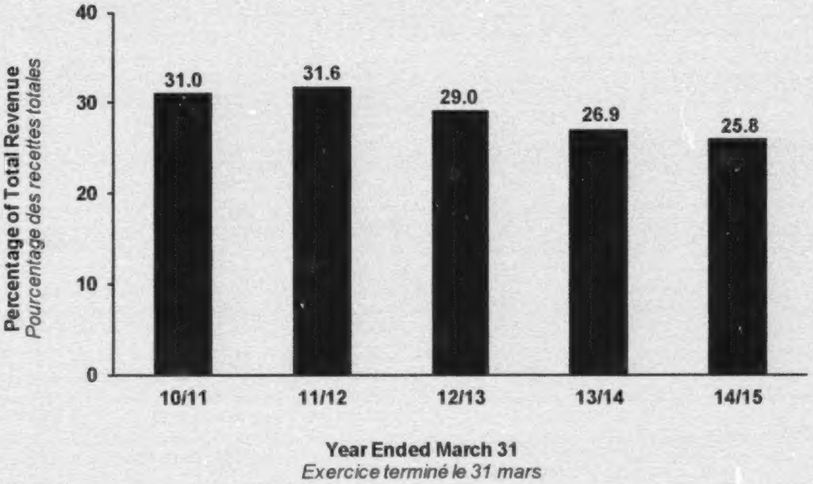
Les transferts fédéraux en pourcentage des recettes totales

Le ratio des transferts fédéraux aux recettes totales indique la vulnérabilité des provinces aux variations dans les transferts en provenance du gouvernement du Canada.

Le diagramme 7 montre que le ratio des transferts fédéraux au total des recettes provinciales a diminué entre 2010-2011 et 2014-2015. Cette baisse révèle que la Province dépend moins des transferts fédéraux pour financer ses programmes et services.

Graph 7/Diagramme 7

Federal Transfers to Total Revenue
Transferts fédéraux en pourcentage des recettes totales



Foreign Currency Debt Risk

The Province's foreign currency debt risk for 2014/15 is zero because foreign exchange risk is considered to be fully hedged through the use of derivative instruments such as swaps and forward foreign exchange contracts. In 1999, foreign currency exposure was approximately 19% of core government debt. Fully hedging the amount of foreign currency debt included in total government debt mitigates the risk of debt servicing costs rising due to changes in foreign currency rates and improves the Province's financial position. The amount of foreign currency debt outstanding at March 31, 2015 is $8,127 million (2014 - $8,034 million). The portion held by the Province is fully hedged. The portion held by Manitoba Hydro is managed through a long-term natural hedge between U.S. dollar cash flows.

RISKS AND UNCERTAINTIES

The Government's main exposure to risks and uncertainties arises from variables which it does not directly control. These include:

- Economic factors such as commodity prices, personal income, retail sales, and population growth.
- Adverse events or unusual weather patterns that can influence overall annual results.
- Outcomes from litigation, arbitration and negotiations with third parties.
- Changes in federal transfers.
- Utilization rates for Government services such as health care, children and family services, or employment assistance.
- Exposure to interest rate fluctuations, foreign exchange rates and credit risk.
- Changes in Canadian and International accounting standards.
- Identification and quantification of environmental liabilities.
- Volatility of results, including amounts consolidated from other reporting entities.

La dette en devises

Le risque lié à la dette en devises de la Province pour 2014-2015 est nul, car le risque de change est considéré comme entièrement couvert par l'usage d'instruments dérivés, comme les swaps et les contrats de change à terme. En 1999, le risque de change représentait environ 19 % de la dette générale du gouvernement. Le fait de couvrir complètement le montant de la dette en devises incluse à la dette totale de la Province atténue le risque d'une hausse des frais de service de la dette en raison des variations du cours des devises et améliore la situation financière de la province. Le montant de la dette en devises au 31 mars 2015 était de 8 127 millions de dollars, contre 8 034 millions de dollars en 2014. La portion détenue par la Province était complètement couverte. La portion détenue par Hydro-Manitoba est gérée par une couverture naturelle à long terme entre les flux de trésorerie en dollars américains.

LES RISQUES ET LES INCERTITUDES

La principale exposition du gouvernement aux risques et aux incertitudes résulte de variables qui ne dépendent pas directement de lui. Ces variables sont entre autres :

- des facteurs économiques, comme le cours des matières premières, le revenu des particuliers, les ventes au détail et l'accroissement de la population;
- des événements néfastes ou des conditions climatiques inhabituelles qui peuvent influer sur les résultats annuels d'ensemble;
- les résultats de procès, d'arbitrages ou de négociations avec des tiers;
- les modifications des transferts fédéraux;
- les taux d'utilisation des services du gouvernement, comme les soins de santé, les services à l'enfant et à la famille et l'aide à l'emploi;
- l'exposition aux fluctuations des taux d'intérêt, aux taux de change et au risque de crédit;
- les modifications des normes comptables au Canada et à l'échelle internationale;
- la détermination et la quantification du passif environnemental;
- la volatilité des résultats, y compris les résultats consolidés d'autres entités comptables.

VARIANCE ANALYSIS AND ASSESSMENT OF SIGNIFICANT TRENDS
ANALYSE DES ÉCARTS ET DES PRINCIPALES ÉVOLUTIONS

				Variance/Écart	
Revenue and Expense Items *Éléments des recettes et des dépenses*	**2014/2015 Budget** *Budget de 2014-2015*	**2014/2015 Actual** *Chiffres réels de 2014-2015*	**2013/2014 Actual** *Chiffres réels de 2013-2014*	**2014/2015 vs 2013/2014 Actual** *Chiffres réels de 2014-2015 et de 2013-2014*	**2014/2015 Actual to Budget** *Chiffres réels et budget de 2014-2015*
	($ millions)/*(en millions de dollars)*				
REVENUE/*RECETTES*					
Income Taxes *Impôts*	3,632	3,679	3,446	233	47
Other Taxes *Autres taxes*	4,232	3,900	3,723	177	(332)
Fees and Other Revenue *Droits et autres recettes*	2,039	2,183	2,202	(19)	144
Sinking Funds and Other Earnings *Fonds d'amortissement et autres revenus*	242	269	242	27	27
Total Own-Source Revenue *Total des recettes autonomes*	10,145	10,031	9,613	418	(114)
Government Business Enterprises *Entreprises publiques*	692	899	783	116	207
Federal Government Transfers *Transferts fédéraux*	3,793	3,809	3,818	(9)	16
Total Revenue *Recettes totales*	14,630	14,739	14,214	525	109
EXPENSES/*DEPENSES*					
Health *Santé*	5,791	5,979	5,706	273	188
Education *Éducation*	3,895	3,639	3,562	77	(256)
Family Services *Services à la famille*	1,115	1,120	1,074	46	5
Community, Economic and Resource Development *Développement des communautés, de l'économie et des ressources*	2,477	2,541	2,415	126	64
Justice and Other Expenditures *Justice et autres dépenses*	837	1,071	1,158	(87)	234
Debt Servicing *Service de la dette*	872	841	821	20	(31)
Total Expenses *Dépenses totales*	14,987	15,191	14,736	455	204
Summary Net Income (Loss) *Recettes (pertes) nettes sommaires*	(357)	(452)	(522)	70	(95)

The Government ended the year with a net loss of $452 million, which is $95 million higher than the budgeted net loss of $357 million. In 2014/15, total revenues were $14,739 million and total expenses were $15,191 million.

The most significant factors causing the variances from budget are:

- A decrease of $332 million in other taxes due to the application of accounting standards that require Education Property Tax credits to be netted against the related income instead of being expensed, and lower than expected mining and tobacco tax revenues.
- An increase of $144 million in fees and other revenue due to increases in revenue from government reporting entities.
- An increase of $207 million in net income from Government Business Enterprises.
- An increase of $188 million in Health funding to regional health authorities mainly due to wage accruals and increased program costs.
- An increase of $234 million in Justice and Other Expenditures mainly related to unexpected emergency expenditures that occurred as a result of heavy rains in the spring.

Revenue

Revenue trend analysis provides users with information about significant changes in revenue over time and between sources, enabling users to evaluate past performance and assess potential implications for the future.

À la fin de l'exercice, la Province affichait une perte nette de 452 millions de dollars, soit 95 millions de dollars de plus que la perte nette de 357 millions de dollars prévue dans le budget. En 2014-2015, les recettes totales ont atteint 14 739 millions de dollars et les dépenses totales se sont élevées à 15 191 millions de dollars.

Les principaux facteurs expliquant les écarts par rapport aux prévisions budgétaires sont les suivants :

- Une baisse de 332 millions de dollars des autres taxes due à l'application de nouvelles normes comptables qui exigent que les crédits d'impôt foncier pour l'éducation soient déduits des revenus y étant liés au lieu d'être inscrits en charges et à des recettes inférieures aux prévisions de l'impôt minier et de la taxe sur le tabac.
- Une augmentation de 144 millions de dollars en droits et autres recettes en raison des augmentations des recettes provenant d'entités comptables du gouvernement.
- Une augmentation de 207 millions de dollars du bénéfice net des entreprises publiques.
- Une augmentation de 188 millions de dollars du financement des services de santé alloué aux offices régionaux de la santé en raison principalement des charges salariales et de la hausse des coûts des programmes.
- Une augmentation de 234 millions de dollars dans la fonction Justice et autres dépenses principalement liée aux dépenses d'urgence imprévues qui ont découlé des fortes pluies printanières.

Recettes

L'analyse de l'évolution des recettes renseigne les lecteurs sur les principales variations des recettes selon les exercices et les sources, et leur permet d'évaluer la performance passée et les possibles implications pour l'avenir.

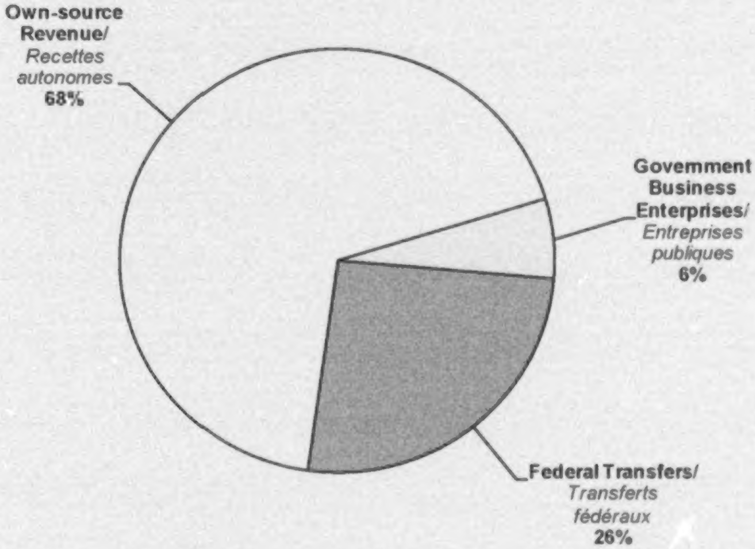
Revenue Trend Analysis by Source
Analyse de l'évolution des recettes par source

Revenue Source *Source de recettes*	**2014/2015 Actual** *Chiffres réels de 2014-2015*	**2013/2014 Actual** *Chiffres réels de 2013-2014*	**2012/2013 Actual** *Chiffres réels de 2012-2013*	**2011/2012 Actual** *Chiffres réels de 2011-2012*	**2010/2011 Actual** *Chiffres réels de 2010-2011*
		($ millions)/*(en millions de dollars)*			
Income Taxes *Impôts*	3,679	3,446	3,302	3,138	2,938
Retail Sales Tax *Taxe sur les ventes au détail*	2,205	2,028	1,767	1,658	1,576
Education Property Tax *Impôts fonciers en matière d'éducation*	461	434	380	554	545
Other Taxes *Autres taxes*	579	617	590	577	573
Levy for Health and Education *Impôt destiné à l'enseignement et aux services de santé*	321	315	296	292	269
Fuel Taxes *Taxes sur les carburants*	334	329	332	269	256
Fees and Other Revenue *Droits et autres recettes*	2,183	2,202	2,013	1,906	1,828
Sinking Fund and Other Investment Earnings *Fonds d'amortissement et autres revenus de placement*	269	242	242	249	230
Net Income from Government Business Enterprises *Bénéfice nets des entreprises publiques*	899	783	739	713	807
Federal Transfers *Transferts fédéraux*	3,809	3,818	3,953	4,332	4,047
Total Revenue *Recettes totales*	14,739	14,214	13,614	13,688	13,069

The following chart illustrates the Government's main revenue sources for 2014/15.

Le tableau suivant illustre les principales sources de recettes du gouvernement pour 2014-2015.

Sources of Revenue for the Year Ended March 31, 2015
Sources de recettes pour l'exercice terminé le 31 mars 2015



Total revenue in 2014/15 was $14,739 million, an increase of 3.7% from 2013/14, mainly as a result of increased income from Government Business Enterprises and the following:

- An increase of $233 million in Income Taxes due to an increase in the Province's entitlements as a result of increases in national taxable income.
- An increase of $177 million in retail sales tax as a result of the inclusion of a full years' rate increase versus a partial year in 2013/14.

Les recettes totales en 2014-2015 ont atteint 14 739 millions de dollars, ce qui représente une augmentation de 3,7 % par rapport à 2013-2014. Cette hausse est principalement attribuable à l'augmentation des recettes des entreprises publiques ainsi qu'aux facteurs suivants :

- une augmentation de 233 millions de dollars des impôts sur le revenu découlant d'une hausse des droits de la Province liée aux augmentations du revenu imposable national;
- une augmentation de 177 millions de dollars des recettes tirées de la taxe sur les ventes au détail découlant de l'application du nouveau taux pour l'exercice complet, alors que ce taux n'avait été appliqué qu'à une partie de 2013-2014.

Expenses

Analysis of expenses helps users understand the impact of the Government's spending on the economy, the Government's overall allocation and use of resources, and the cost of Government programs.

Expense by Function

Expense by function provides a summary of the major areas of Government spending, and changes in spending over time.

Dépenses

L'analyse des dépenses aide les lecteurs à comprendre l'incidence des dépenses du gouvernement sur l'économie, la répartition et l'usage des ressources gouvernementales dans leur ensemble ainsi que le coût des programmes du gouvernement.

Dépenses par fonction

Les dépenses par fonction présentent le sommaire des principaux secteurs de dépenses du gouvernement et l'évolution des dépenses au fil des ans.

Expense Trend Analysis by Function
Analyse de l'évolution des dépenses par fonction

Expense by Function *Dépenses par fonction*	**2014/2015 Actual** *Chiffres réels de 2014-2015*	**2013/2014 Actual** *Chiffres réels de 2013-2014*	**2012/2013 Actual** *Chiffres réels de 2012-2013*	**2011/2012 Actual** *Chiffres réels de 2011-2012*	**2010/2011 Actual** *Chiffres réels de 2010-2011*
	($ millions)/*(en millions de dollars)*				
Health *Santé*	5,979	5,706	5,454	5,328	5,044
Education *Éducation*	3,639	3,562	3,339	3,389	3,218
Family Services *Services à la famille*	1,120	1,074	1,035	1,013	978
Community, Economic and Resource Development *Développement des communautés, de l'économie et des ressources*	2,541	2,415	2,423	2,734	2,367
Justice and Other Expenditures *Justice et autres dépenses*	1,071	1,158	1,084	1,410	870
Debt Servicing *Service de la dette*	841	821	839	815	773
Total Expenses by Function *Dépenses totales par fonction*	15,191	14,736	14,174	14,689	13,250

Expense sectors are consistent with the prior year.

Total expenses were $15,191 million in 2014/15, an increase of 3.1% from 2013/14. The major changes are due to the following:

- 4.8% increase in Health expense primarily due to increases in funding to Regional Health Authorities for wage increases and increased

Les secteurs de dépenses sont conformes à l'exercice précédent.

Les dépenses totales en 2014-2015 s'élevaient à 15 191 millions de dollars, soit une augmentation de 3,1 % par rapport à 2013-2014. Les principales évolutions sont attribuables aux éléments suivants :

- une hausse de 4,8 % des dépenses de santé principalement due à des augmentations du financement des offices régionaux de la santé program costs.

- 2.2% increase in Education expenses and pension costs as a result of contribution increases.
- 4.3% increase in Family Services expenses due to increased uptake and cost of delivery of programming.
- 5.2% increase in Community, Economic and Resource Development expenses as a result of the recognition of the Province's share of the International Polar Bear Conservation Centre at Assiniboine Park, increased amortization due to increased capital investment and higher programming costs.
- 7.5% decrease in Justice and Other Expenditures due to the inclusion of a settlement provision of $100 million in 2013/14 for costs associated with the effects of long standing flooding issues in four First Nations communities.

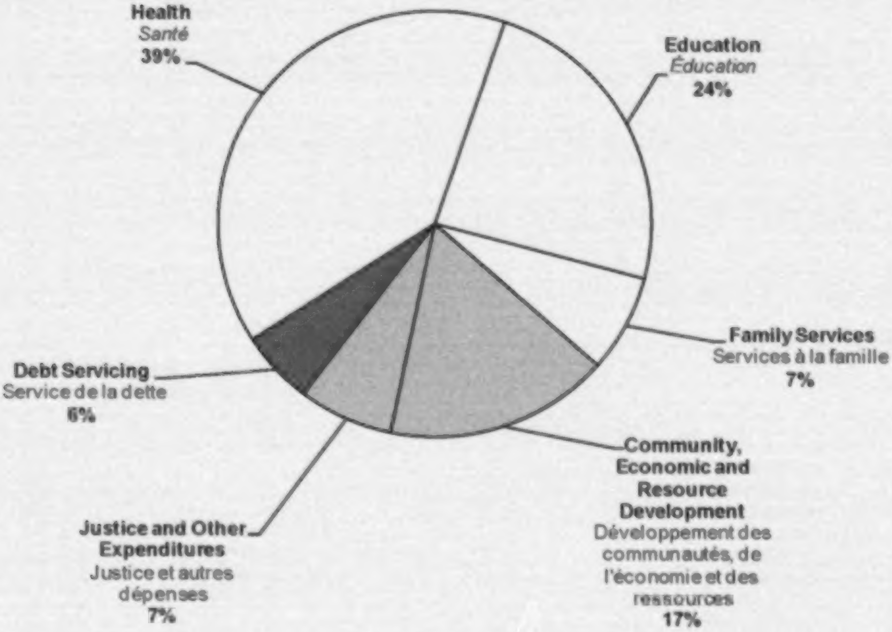
liées aux charges salariales et à la hausse des coûts des programmes;

- une hausse de 2,2 % des dépenses en éducation et des charges découlant des régimes de retraite connexes due aux hausses des cotisations;
- une hausse de 4,3 % des dépenses des Services à la famille en raison d'un accroissement du nombre de bénéficiaires et des coûts d'exécution des programmes;
- une augmentation de 5,2 % des dépenses pour le développement des communautés, de l'économie et des ressources, qui découle de la reconnaissance de la part de la Province relativement au Centre international de conservation des ours polaires au parc Assiniboine, d'une hausse de l'amortissement liée à des investissements accrus en immobilisations et de coûts de programmes plus élevés.
- une hausse de 7,5 % des dépenses de la fonction Justice et autres dépenses en raison de l'inclusion en 2013-2014 d'une provision pour règlement de 100 millions de dollars pour les coûts associés aux effets des problèmes d'inondation de longue date dans quatre collectivités des Premières Nations.

The following chart illustrates the Government's spending by function:

Le diagramme suivant illustre les dépenses du gouvernement par fonction.

Expenses by Function
Dépenses par fonction



The health, education, and family services components comprise 70% of the total operating expenses.

Program expenses, which represent total expenses less the cost of servicing debt, increased 3.1% from 2013/14, primarily as a result of increases in the Health and Education sectors. In 2014/15, total expenses to GDP amounted to 23.9% (2013/14 – 24.1%) while program expenses to GDP amounted to 22.6% (2013/14 – 22.7%) of GDP.

Total expenses as a percentage of total revenues was 103.1% in 2014/15. An expense ratio of more than 100% means that expenses have exceeded revenues, resulting in a deficit.

Les secteurs de la santé, de l'éducation et des services à la famille représentent 70 % des dépenses totales de fonctionnement.

Les dépenses de programmes, soit les dépenses totales moins les frais de service de la dette, ont augmenté de 3,1 % par rapport à 2013-2014, principalement dans les fonctions de santé et d'éducation. En 2014-2015, les dépenses totales représentaient 23,9 % du PIB (contre 24,1 % en 2013-2014), alors que les dépenses de programmes représentaient 22,6 % du PIB (contre 22,7 % en 2013-2014).

Les dépenses totales en pourcentage des recettes totales étaient de 103,1 % en 2014-2015. Un ratio supérieur à 100 % signifie que les dépenses sont supérieures aux recettes, et qu'on obtient de ce fait un déficit.

Expense by Type

Expense trend analysis by type provides a summary of Government spending by type and highlights changes in spending over time.

Dépenses par catégorie

L'analyse de l'évolution des dépenses par catégorie présente un sommaire des dépenses du gouvernement par catégorie et expose les variations des dépenses au fil des ans.

Expense Trend Analysis by Type
Analyse de l'évolution des dépenses par catégorie

Expense by Type *Dépenses par catégorie*	**2014/2015 Actual** *Chiffres réels de 2014-2015*	**2013/2014 Actual** *Chiffres réels de 2013-2014*	**2012/2013 Actual** *Chiffres réels de 2012-2013*	**2011/2012 Actual** *Chiffres réels de 2011-2012*	**2010/2011 Actual** *Chiffres réels de 2010-2011*
	($ millions)/(en millions de dollars)				
Personnel Services *Services de personnel*	7,416	7,186	6,894	6,557	6,332
Grants/Transfer Payments *Subventions et paiements de transfert*	1,922	1,704	1,592	2,060	1,384
Transportation *Transport*	138	169	161	161	183
Communications *Communications*	74	73	72	77	70
Supplies and Services *Fournitures et services*	1,792	1,687	1,807	2,000	1,836
Social Assistance *Aide sociale*	1,368	1,250	1,309	1,409	1,038
Other Operating *Autres dépenses de fonctionnement*	956	1,204	912	1,044	1,121
Debt Servicing *Service de la dette*	841	821	839	815	773
Minor Capital *Dépenses en capital secondaires*	89	88	77	90	75
Amortization *Amortissement des immobilisations*	595	554	511	476	438
Total Expenses by Type *Dépenses totales*	15,191	14,736	14,174	14,689	13,250

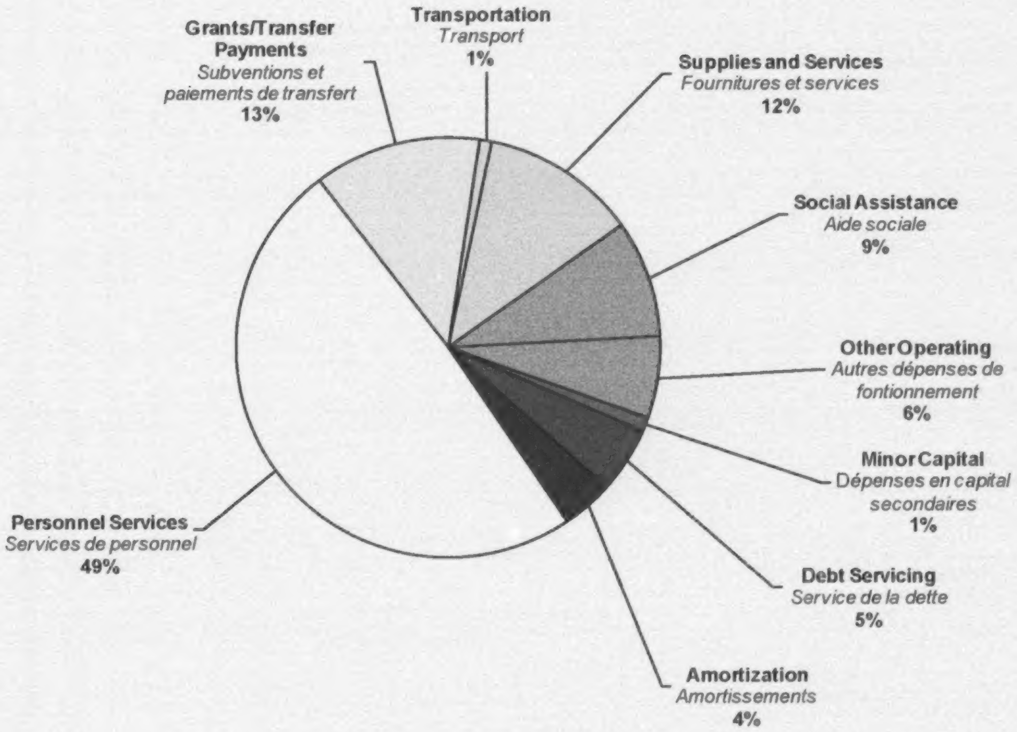
Overall spending by type remained consistent from 2013/14. Personnel services, the Provinces largest expense, remained at 48.8% (2013/14 – 48.8%), supplies and services increased slightly to 11.8% (2013/14 – 11.4%) and grants/transfer payments increased to 12.7% (2013/14 – 11.6%).

Le total des dépenses par catégorie est demeuré stable par rapport à 2013-2014. Les services de personnel, qui constituent le principal poste de dépenses du gouvernement, sont demeurés inchangés à 48,8 % (le même pourcentage qu'en 2013-2014), les fournitures et services ont légèrement augmenté jusqu'à 11,8 % (contre 11,4 % en 2013-2014) et les subventions et paiements de transfert ont augmenté jusqu'à 12,7 % (contre 11,6 % en 2013-2014).

The following chart illustrates the Government's operating expenses by type:

Le diagramme suivant illustre les dépenses de fonctionnement du gouvernement par catégorie :

Expense by Type
Dépenses par catégorie



Financial Assets

An analysis of financial assets provides users with information regarding the amount of resources government can convert to cash, if required, to discharge existing liabilities or to finance future operations.

Actifs financiers

L'analyse des actifs financiers renseigne les lecteurs sur le montant de ressources que le gouvernement peut convertir en liquidités au besoin pour s'acquitter de ses présentes obligations ou financer des activités futures.

Financial Assets Trend Analysis

Analyse de l'évolution des actifs financiers

($ millions)/*(en millions de dollars)*

Financial Assets *Actifs financiers*	**2014/2015 Actual** *Chiffres réels de 2014-2015*	**2013/2014 Actual** *Chiffres réels de 2013-2014*	**2012/2013 Actual** *Chiffres réels de 2012-2013*	**2011/2012 Actual** *Chiffres réels de 2011-2012*	**2010/2011 Actual** *Chiffres réels de 2010-2011*
Cash, Cash Equivalents, Short-Term Investments *Trésorerie, équivalents de trésorerie, placements à court terme*	1,983	1,600	1,293	1,374	1,047
Temporary Investments *Placements temporaires*	215	202	229	205	345
Accounts Receivable and Advances *Créances et avances*	1,570	1,548	1,661	1,647	1,313
Inventories *Stocks*	79	75	74	65	62
Portfolio Investments *Placements de portefeuille*	1,841	2,293	2,466	2,760	2,765
Loan and Advances *Prêts et avances*	1,251	1,145	1,096	955	802
Equity in Government Business Enterprises Valeur des entreprises publiques	3,804	3,820	3,766	3,617	3,570
Total Financial Assets *Total des actifs financiers*	10,743	10,683	10,585	10,623	9,904

Financial assets are consistent with 2013/14, overall. Portfolio investments decreased by $452 million, or 19.7%, from 2013/14. This was offset by an increase in cash and temporary investments of $396 million, or 22.0%. Equity in GBEs represents 35.4% of the 2014/15 financial assets; a slight decrease of $16 million, or 0.4%, from 2013/14.

Liabilities

An analysis of liabilities provides users with information to understand and assess the demands on financial assets. Liabilities consist of debt or obligations owing, to be repaid with cash or other assets.

Les actifs financiers ont dans l'ensemble été stables par rapport à 2013-2014. Les placements de portefeuille ont baissé de 452 millions de dollars, soit 19,7 %, depuis 2013-2014. Cette baisse a été compensée par une augmentation de 396 millions de dollars (22,0 %) de la trésorerie et des placements temporaires. L'actif net des entreprises publiques représentait 35,4 % des actifs financiers en 2014-2015, soit une légère baisse de 16 millions de dollars (0,4 %) par rapport à 2013-2014.

Passifs

Une analyse des passifs permet aux lecteurs de comprendre et d'évaluer les pressions qui s'exercent sur les actifs financiers. Les passifs sont les dettes et les obligations à assumer au moyen de la trésorerie ou d'autres actifs.

Liabilities Trend Analysis
Analyse de l'évolution des passifs

($ millions)/*(en millions de dollars)*

Liabilities *Passifs*	**2014/2015 Actual** *Chiffres réels de 2014-2015*	**2013/2014 Actual** *Chiffres réels de 2013-2014*	**2012/2013 Actual** *Chiffres réels de 2012-2013*	**2011/2012 Actual** *Chiffres réels de 2011-2012*	**2010/2011 Actual** *Chiffres réels de 2010-2011*
Borrowings *Emprunts*	23,257	21,946	20,788	19,603	17,150
Accounts Payable and Accrued Liabilities *Créditeurs et charges à payer*	3,766	3,540	3,343	3,455	3,132
Deferred Revenues *Recettes différées*	419	413	427	390	360
Pension Liability *Obligation découlant des régimes de retraite*	2,245	2,038	1,828	1,634	1,731
Other Liabilities *Autres obligations*	19	18	20	19	21
Total Liabilities *Total des passifs*	29,706	27,955	26,406	25,101	22,394

The 2014/15 total liabilities increased $1,751 million or 6.3% from 2013/14. Borrowings have increased $1,311 million or 6.0% from 2013/14. The pension liability increased by $207 million or 10.2% from 2013/14. Accounts payable and accrued liabilities have increased $226 million or 6.4% and restricted inflows, referred to as deferred revenue, remained stable.

Debt servicing costs were $841 million (2013/14 - $821 million) as at March 31, 2015, an increase of 2.4%.

Pension Liability

The summary financial statements include the future pension obligation for government and its reporting entities. The Government has taken actions to address the unfunded pension liability. This included funding of $1,500 million to the Teacher's Retirement Allowances Fund in 2007, and funding of $1,100 million towards the employer's liability relating to the Civil Service Superannuation Fund as of March 2012, through borrowings. Borrowing funds to pay down the unfunded pension liability is a sound fiscal decision because, as over the longer term, the cost of borrowing is less than the expected rate of return on the plan assets. As well, over the last five years, the markets have substantially recovered to offset any

Le total des passifs de 2014-2015 s'est accru de 1 751 millions de dollars par rapport à 2013-2014, soit une hausse de 6,3 %. Les emprunts ont augmenté de 1 311 millions de dollars, soit 6,0 % par rapport à 2013-2014. L'obligation découlant des régimes de retraite a augmenté de 207 millions de dollars, soit 10,2 %, de plus qu'en 2013-2014. Les créditeurs et les charges à payer ont augmenté de 226 millions de dollars (6,4 %) tandis que les rentrées soumises à restrictions, inscrites comme des recettes différées, sont demeurées stables.

Les frais de service de la dette ont atteint 841 millions de dollars au 31 mars 2015, contre 821 millions de dollars en 2013-2014, soit une hausse de 2,4 %.

Obligation découlant des régimes de retraite

Les états financiers sommaires englobent l'obligation future découlant des régimes de retraite pour le gouvernement et ses entités comptables. Le gouvernement a pris des mesures pour régler la question de l'obligation non capitalisée découlant des régimes de retraite. Ainsi, il a affecté 1 500 millions de dollars à la Caisse de retraite des enseignants en 2007 et 1 100 millions de dollars pour l'obligation de l'employeur relative à la Caisse de retraite de la fonction publique en mars 2012, en recourant à des emprunts. L'emprunt de sommes pour rembourser l'obligation non capitalisée découlant des régimes de retraite est une décision financière judicieuse, car le coût d'emprunt est à plus long terme inférieur au taux prévu de rendement losses that were experienced on the plan assets during the economic downturn.

The Government uses a diversified, conservative investment approach to mitigate the risk of volatile market conditions on its investments and operating results. It recognizes changes in market value over the service life of employees, consistent with Canadian generally accepted accounting principles. This method of accounting for market changes allows the Government to smooth gains and losses over several years.

Net Debt and Accumulated Deficit

Net debt is the difference between the Province's liabilities and financial assets. It represents the amount of liabilities to be funded from future revenues and taxation. Operating losses, investments in tangible capital assets or other non-financial assets all increase net debt. Net debt is decreased by operating net income or decreases in the value of net tangible capital assets and other non-financial assets. As at March 31, 2015, net debt was $18,963 million, $1,691 million or 9.8% higher than the prior year.

The accumulated deficit has increased by $3,183 million, or 75.7%, from five years ago, mainly as a result of operating losses. In 2014/15, the accumulated deficit increased by $832 million, or 12.7%, from 2013/14.

de l'actif des régimes. De plus, au cours des cinq dernières années, les marchés ont connu une reprise importante, ce qui a permis de compenser les pertes enregistrées sur l'actif des régimes durant le ralentissement économique.

Le gouvernement a adopté une approche conservative dans le choix de ses placements, qu'il a aussi voulu diversifiés, afin de limiter les risques liés à la volatilité des marchés, et cela, tant pour protéger ses placements que ses résultats d'exploitation. Il reconnaît les changements de valeur marchande au cours des années de service des employés, conformément aux principes comptables généralement reconnus au Canada. Cette méthode tenant compte des changements du marché permet au gouvernement de lisser les gains et les pertes sur plusieurs années.

Dette nette et déficit accumulé

La dette nette est la différence entre les passifs de la Province et ses actifs financiers. Elle représente la somme des passifs à financer à même les recettes et les impôts à venir. Les pertes d'exploitation ainsi que les investissements dans les immobilisations corporelles et les autres actifs non financiers augmentent la dette nette. La dette nette diminue en fonction des recettes nettes provenant des activités ou des baisses de la valeur des immobilisations corporelles nettes et d'autres actifs non financiers. Au 31 mars 2015, la dette nette s'élevait à 18 963 millions de dollars, soit 1 691 millions de dollars ou 9,8 % de plus qu'à la fin de l'exercice antérieur.

Le déficit accumulé a augmenté de 3 183 millions de dollars (soit de 75,7 %) en cinq ans, principalement en raison de pertes d'exploitation. En 2014-2015, le déficit accumulé a augmenté de 832 millions de dollars (12,7 %) par rapport à l'exercice précédent.

Net Debt and Accumulated Deficit Trend Analysis

Analyses de l'évolution de la dette nette et du déficit accumulé

Net Debt and Accumulated Deficit *Dette nette et déficit accumulé*	**2014/2015 Actual** *Chiffres réels de 2014-2015*	**2013/2014 Actual** *Chiffres réels de 2013-2014*	**2012/2013 Actual** *Chiffres réels de 2012-2013*	**2011/2012 Actual** *Chiffres réels de 2011-2012*	**2010/2011 Actual** *Chiffres réels de 2010-2011*
			($ millions)/*(en millions de dollars)*		
Financial Assets *Actifs financiers*	10,743	10,683	10,585	10,623	9,904
Less: Liabilities *Moins : les passifs*	(29,706)	(27,955)	(26,406)	(25,101)	(22,394)
Total Net Debt *Total de la dette nette*	(18,963)	(17,272)	(15,821)	(14,478)	(12,490)
Non-Financial Assets *Actifs non financiers*	11,578	10,719	9,957	9,206	8,288
Total Accumulated Deficit *Total du déficit accumulé*	(7,385)	(6,553)	(5,864)	(5,272)	(4,202)

Non-financial Assets

An analysis of non–financial assets provides users with information to assess changes in the Government's infrastructure and long-term non-financial assets.

Actifs non financiers

Une analyse des actifs non financiers permet aux lecteurs d'apprécier l'évolution des infrastructures et des actifs non financiers à long terme du gouvernement.

Non- Financial Assets Trend Analysis

Analyse de l'évolution des actifs non financiers

Non-financial Assets *Actifs non financiers*	**2014/2015 Actual** *Chiffres réels de 2014-2015*	**2013/2014 Actual** *Chiffres réels de 2013-2014*	**2012/2013 Actual** *Chiffres réels de 2012-2013*	**2011/2012 Actual** *Chiffres réels de 2011-2012*	**2010/2011 Actual** *Chiffres réels de 2010-2011*
			($ millions)/*(en millions de dollars)*		
Tangible capital assets *Immobilisations corporelles*	11,461	10,599	9,842	9,097	8,187
Prepaid expenses *Charges payées d'avance*	58	58	60	50	51
Inventories *Stocks*	59	62	55	59	50
Total non-financial Assets *Total des actifs non financiers*	11,578	10,719	9,957	9,206	8,288

Non–financial assets typically represent resources a government can use in the future to provide services, such as tangible capital assets. The management of non-financial assets has a direct impact on the level and quality of services a government is able to provide

Les actifs non financiers, p. ex. les immobilisations corporelles, sont généralement des ressources que le gouvernement peut utiliser à l'avenir pour fournir des services. La gestion des actifs non financiers a des répercussions directes sur le niveau et la qualité des to its citizens.

At March 31, 2015, non-financial assets were $859 million higher, or 8.0%, than 2013/14. The majority of Government's non-financial assets are tangible capital assets. Tangible capital asset additions were $1,534 million for 2014/15 (2013/14 - $1,333 million). Additions include investments in post–secondary education facilities, health facilities and transportation infrastructure.

Tangible Capital Assets

An analysis of tangible capital assets helps users understand whether the Government has the ability to provide services in future periods.

services qu'un gouvernement est en mesure de fournir à sa population.

Au 31 mars 2015, les actifs non financiers présentaient une hausse de 859 millions de dollars, soit 8,0 %, de plus qu'en 2013-2014. La plus grande partie des actifs non financiers du gouvernement sont des immobilisations corporelles. Les acquisitions d'immobilisations corporelles totalisaient 1 534 millions de dollars en 2014-2015 (1 333 millions de dollars en 2013-2014). Ces acquisitions comprennent des investissements dans des établissements d'enseignement postsecondaire, des établissements de santé et l'infrastructure des transports.

Immobilisations corporelles

Une analyse des immobilisations corporelles aide les lecteurs à connaître la capacité du gouvernement de fournir des services au cours de périodes à venir.

Tangible Capital Assets Trend Analysis
Analyse de l'évolution des immobilisations corporelles

Tangible Capital Assets *Immobilisations corporelles*	**2014/2015 Actual** *Chiffres réels de 2014-2015*	**2013/2014 Actual** *Chiffres réels de 2013-2014*	**2012/2013 Actual** *Chiffres réels de 2012-2013*	**2011/2012 Actual** *Chiffres réels de 2011-2012*	**2010/2011 Actual** *Chiffres réels de 2010-2011*
		($ millions)/*(en millions de dollars)*			
Land *Terrains*	264	251	233	214	205
Building and Leasehold Improvements *Immeubles et améliorations locatives*	4,855	4,488	4,072	3,802	3,273
Vehicles and Equipment *Véhicules et équipement*	797	807	788	754	673
Computer Hardware and Software *Matériel informatique et logiciels*	267	308	306	286	243
Assets Under Construction *Actifs en construction*	1,105	994	975	843	945
Infrastructure *Infrastructure*	4,173	3,751	3,468	3,198	2,848
Total Tangible Capital Assets *Total des immobilisations corporelles*	11,461	10,599	9,842	9,097	8,187

Government capitalizes the gross cost of its tangible capital assets. Recoveries related to capital projects, from other governments, are recognized as revenue in the year the capital asset is purchased or constructed. Crown land transferred to the Province is not reported in the financial statements as tangible capital assets.

Le gouvernement comptabilise à l'actif le coût brut de ses immobilisations corporelles. Les sommes liées aux projets d'immobilisation et récupérées d'autres administrations sont inscrites comme des recettes au cours de l'exercice où les immobilisations sont achetées ou construites. Les terres de la Couronne transférées à la Province ne sont

The net book value of tangible capital assets totalled $11,461 million at the end of 2014/15 (2013/14 - $10,599 million). Buildings and leasehold improvements include provincially-owned schools, health facilities, and public service buildings. Infrastructure assets include roads, water control structures and parks.

In 2014/15, the Government invested $521 million in buildings and leasehold improvements, $141 million in vehicles and equipment, and $609 million in infrastructure projects. Infrastructure projects included $396 million in transportation-related projects, such as road grading and surfacing.

The total cost of tangible capital assets has increased steadily, from $14,232 million in 2010/11 to $19,250 million in 2014/15, demonstrating that the Province has more assets available to provide services in future periods. The following chart illustrates tangible capital assets by class and includes the related accumulated amortization as of March 31, 2015.

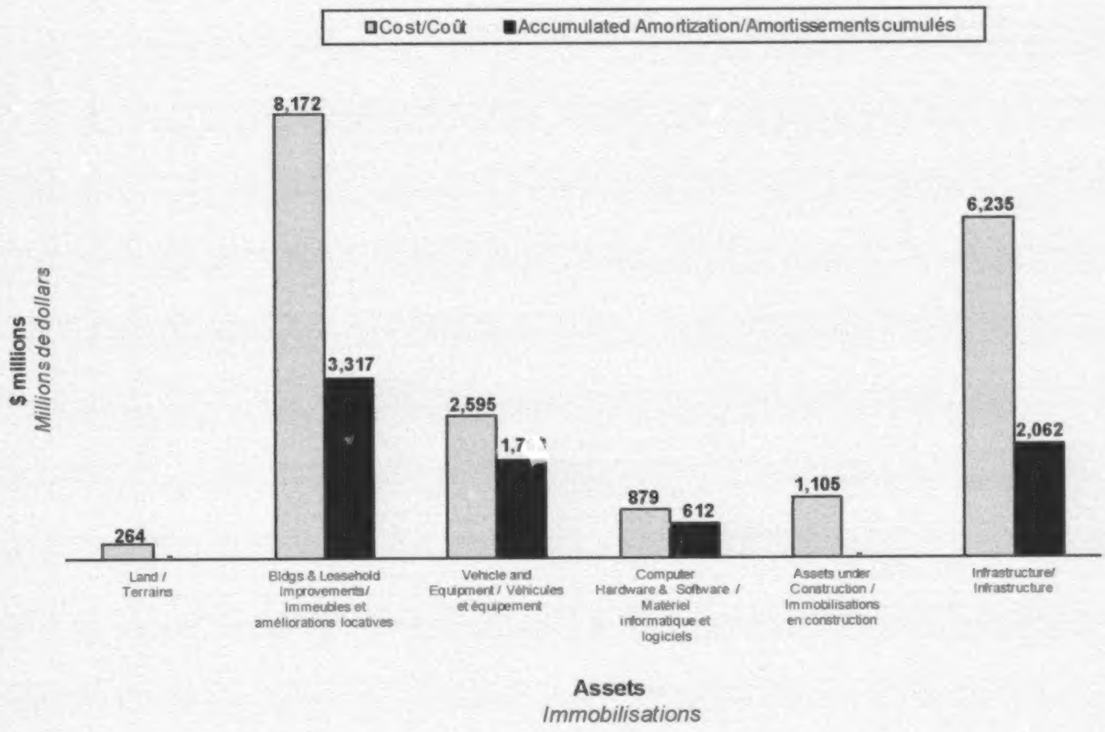
pas comptabilisées dans les états financiers comme des immobilisations corporelles.

La valeur comptable nette des immobilisations corporelles était de 11 461 millions de dollars à la fin de 2014-2015 (10 599 millions de dollars en 2013-2014). Les immeubles et améliorations locatives comprennent les écoles, les établissements de santé et les immeubles de services publics qui appartiennent à la province. La catégorie Infrastructure comprend les routes, les ouvrages de régularisation des eaux et les parcs.

En 2014-2015, le gouvernement a investi 521 millions de dollars dans la construction de bâtiments et dans des améliorations locatives, 141 millions dans l'achat de véhicules et d'équipement, et 609 millions dans des projets d'infrastructure. Les projets d'infrastructure comprennent 396 millions de dollars pour des travaux dans le secteur des transports, comme le nivellement et le surfaçage des routes.

Le coût total des immobilisations corporelles s'accroît également de façon constante. Il est passé de 14 232 millions en 2010-2011 à 19 250 millions en 2014-2015, ce qui montre que la Province a davantage d'actifs disponibles pour la prestation de services au cours des périodes à venir. Le diagramme suivant illustre les immobilisations corporelles par catégorie et les amortissements cumulés connexes au 31 mars 2015.

Tangible Capital Assets as at March 31, 2015
Immobilisations corporelles au 31 mars 2015



GLOSSARY OF KEY TERMS /GLOSSAIRE DE TERMES-CLÉS

Borrowings: Borrowings are securities issued in the name of the Province to capital markets investors. Securities include debentures, treasury bills, promissory notes, medium-term notes and Manitoba Savings Bonds.

Emprunts : valeurs ou titres émis au nom de la Province et vendus aux investisseurs des marchés financiers. On compte parmi ces titres des débentures, des bons du Trésor, des billets à ordre, des obligations à moyen terme et des obligations d'épargnes du Manitoba.

Consolidation Impacts: The adjustments needed to bring the revenue and expenditure of the Other Reporting Entities into the Summary Budget, and to eliminate transactions between entities to avoid duplication of revenues and expenses (e.g. a government grant is counted as an expenditure of Core Government and is eliminated from the revenue of the Other Reporting Entity).

Incidences de la consolidation : ajustements nécessaires pour inclure les recettes et les dépenses des autres entités comptables dans le Budget sommaire, et pour éliminer les transactions entre entités dans le but d'éviter la comptabilisation double des recettes et des dépenses (par exemple, une subvention publique figure comme dépense dans les opérations fondamentales du gouvernement et est éliminée dans les recettes d'autres entités comptables).

Core Government: A component of the GRE. Represents the operations of government, including the revenues directly under government's control, and the programs and services delivered by government departments.

Opérations fondamentales du gouvernement : composante du périmètre comptable du gouvernement. Il s'agit des opérations du gouvernement, y compris les recettes qui sont directement sous le contrôle du gouvernement, ainsi que les programmes et les services fournis par ses ministères.

Crown Organization: An organization in the GRE that is wholly owned or established by government, such as a Crown corporation (e.g. Manitoba Agricultural Services Corporation).

Organisation de la Couronne : organisation du périmètre comptable qui a été établie par le gouvernement ou dont il a la propriété exclusive, par exemple une société d'État comme la Société des services agricoles du Manitoba.

Debt Servicing Cost: Interest and other expenses associated with provincial borrowings.

Frais de service de la dette : intérêts et autres dépenses liés aux emprunts provinciaux.

Financial Assets: Assets of the Province such as cash, investments, loans and accounts receivable that could be readily converted to cash in order to pay the Province's liabilities or finance its future operations.

Actifs financiers : actifs de la Province (exemples : encaisse, investissements, prêts et débiteurs) qui pourraient facilement être convertis en liquidités afin de faire face aux obligations de la Province ou pour financer ses activités futures.

Generally Accepted Accounting Principles (GAAP): Standard accounting practices and reporting guidelines as prescribed by the Chartered Professional Accountants of Canada.

Principes comptables généralement reconnus (PCGR) : pratiques comptables normalisées et lignes directrices pour la présentation de l'information financière, prescrites par l'organisme Comptables professionnels agréés du Canada.

Government Business Enterprises (GBEs): A Crown organization delegated with the financial and operating authority to carry on a business. It sells goods or services to individuals and organizations outside the GRE and can maintain its business on those revenues.	**Entreprise publique :** organisation de la Couronne qui est investie des pouvoirs financiers et administratifs nécessaires pour mener des activités commerciales. Elle vend des biens ou offre des services à des particuliers ou à des organismes non compris dans le périmètre comptable du gouvernement et elle peut poursuivre ses activités au moyen de ses recettes.
Government Reporting Entity (GRE): Includes Core Government and Crown organizations, government business entities and public sector organizations such as regional health authorities, school divisions, universities and colleges.	**Périmètre comptable du gouvernement :** inclut les opérations fondamentales du gouvernement, les organisations de la Couronne, les entreprises publiques et les organismes du secteur public tels les offices régionaux de la santé, les divisions scolaires, les universités et les collèges.
Gross Domestic Product (GDP): Represents the total market value of all final goods and services produced in the Manitoba economy.	**Produit intérieur brut (PIB) :** valeur marchande totale de tous les biens et services finals produits par l'économie manitobaine.
Guarantees: The Province, in the normal course of business, may provide a guarantee to honour the repayment of debt or loans of an organization, primarily GBEs. Such a guarantee is provided on the Manitoba Hydro Savings Bonds.	**Garanties :** la Province, dans le cours normal de ses activités, peut garantir le remboursement des dettes ou des emprunts engagés par des organismes, c'est-à-dire principalement des entreprises publiques. De telles garanties sont fournies pour les obligations d'épargnes Hydro Bonds du Manitoba.
Net Debt to GDP Ratio: The ratio of government net debt relative to the total market value of all final goods and services produced in the Manitoba economy. Net debt represents the total liabilities of the government less its financial assets. It is widely used by credit rating agencies and other analysts to evaluate the financial situation and trends of jurisdictions in regards to their relative creditworthiness.	**Rapport dette nette–produit intérieur brut (PIB) :** dette nette de la Province par rapport à la valeur marchande totale de tous les biens et services finals produits par l'économie manitobaine. La dette nette est le total du passif de l'État moins ses actifs financiers. Les agences de notation et autres analystes s'en servent couramment pour apprécier la conjoncture financière d'un État et l'évolution de sa capacité à faire face à ses engagements financiers.
Non-Financial Assets: Includes physical items such as tangible capital assets (e.g. buildings and roads) and consumable goods such as inventories that are not normally converted to cash.	**Actifs non financiers :** actifs ayant une existence matérielle, notamment les immobilisations corporelles (par exemple les immeubles et les routes) et les biens consommables tels que les stocks qui ne sont pas normalement convertis en liquidités.
Other Comprehensive Income (OCI): Other comprehensive income is an accounting recognition of unrealized gains and losses in fair market value of financial instruments, such as investments held as available for sale or trading or debt held in a foreign currency. Currently, OCI accounting standards apply only to other reporting entities, except not-for-profit organizations. It is measured as the change in "mark-to-	**Autres éléments du résultat étendu :** prise en compte des gains et des pertes non réalisés calculés selon la juste valeur marchande de l'instrument financier, par exemple, un actif financier susceptible de vente ou une dette en devise étrangère. À l'heure actuelle, les normes comptables concernant les autres éléments du résultat étendu s'appliquent uniquement aux autres entités comptables, à l'exception des organismes à but non

market" valuations, interest rates, or foreign exchange rates at year end, and therefore is a one-day snapshot of the change in value when compared to the same day in the previous year.

Other Reporting Entities: Entities in the GRE such as Crown organizations, government business entities and public sector organizations such as regional health authorities, school divisions, universities and colleges that are directly or indirectly controlled by the Government, as prescribed by PSAB – excludes Core Government.

Pension Liability: Outstanding actuarial-calculated pension liability of the government and participating Crown organizations. The expense includes amounts funded through the appropriations of Core Government as well as for the actuarially determined increases in the pension liability.

Summary Net Debt: Represents the total liabilities of the GRE less its financial assets. This is the residual amount that will have to be paid or financed by future revenue.

Tangible Capital Assets: Assets with a useful life extending beyond one year which are acquired, constructed or developed and held for use, not for resale.

lucratif. Les autres éléments du résultat étendu sont mesurés d'après la variation des évaluations à la valeur du marché, des taux d'intérêt et des taux de change en fin d'exercice et constituent, par conséquent, un aperçu ponctuel de la variation d'une valeur donnée par comparaison avec la valeur à la même date l'année antérieure.

Autres entités comptables : entités du périmètre comptable du gouvernement comme les organisations de la Couronne, les entreprises publiques et les organismes du secteur public tels les offices régionaux de la santé, les divisions scolaires, les universités et les collèges qui sont directement ou indirectement sous le contrôle du gouvernement, comme le prescrit le Conseil sur la comptabilité dans le secteur public. Exclut les opérations fondamentales du gouvernement.

Obligation découlant des régimes de retraite : valeur actuarielle de l'obligation non réglée découlant des régimes de retraite du gouvernement et des organisations de la Couronne participantes. La dépense comprend les fonds provenant des crédits relatifs aux opérations fondamentales du gouvernement et l'augmentation, déterminée à l'aide de calculs actuariels, de l'obligation découlant des régimes de retraite. Le gouvernement du Manitoba soutient huit régimes de retraite distincts.

Dette nette sommaire : total des passifs du périmètre comptable du gouvernement moins ses actifs financiers. Il s'agit du solde des passifs qu'il faudra payer ou financer à l'aide de recettes futures.

Immobilisations corporelles : immobilisations dont la durée de vie utile s'étend au-delà de l'exercice et qui sont acquises, construites ou développées, et qui sont destinées à être utilisées plutôt que vendues.

SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED

March 31, 2015

TABLE OF CONTENTS PAGE

Statement of Responsibility 71

Auditor's Report 73

Consolidated Statement of Financial Position 75

Consolidated Statement of Revenue and Expense 76

Consolidated Statement of Accumulated Deficit 77

Consolidated Statement of Change in Net Debt 78

Consolidated Statement of Cash Flow 79

Notes to the Summary Financial Statements 80

Schedules to the Summary Financial Statements

Schedule 1 - Consolidated Statement of Amounts Receivable 104
Schedule 2 - Consolidated Statement of Loans and Advances 105
Schedule 3 - Government Business Enterprises Schedule of Consolidated Operating Results and Financial Position 106
Schedule 4 - Consolidated Statement of Borrowings 107
Schedule 5 - Consolidated Statement of Accounts Payable, Accrued Charges, Provisions and Unearned Revenue 108
Schedule 6 - Consolidated Statement of Pension Liability 109
Schedule 7 - Consolidated Statement of Tangible Capital Assets 111
Schedule 8 - Funds, Organizations and Business Enterprises Comprising the Government Reporting Entity 112
Schedule 9 - Consolidated Statement of Operations by Sector 116

STATEMENT OF RESPONSIBILITY

The summary financial statements are prepared under the direction of the Minister of Finance in accordance with the stated accounting policies of the Government reporting entity and include summary statements of financial position, revenue and expense, accumulated deficit, change in net debt, cash flow, notes and schedules integral to the statements. Together, they present fairly, in all material respects, the financial position of the Government as at March 31, 2015, and the results of its operations, the changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

The Government is responsible for the integrity and objectivity of the summary financial statements. In the preparation of these statements, estimates are sometimes necessary because a precise determination of certain assets, liabilities, revenues and expenses is dependent on future events. The Government believes such estimates have been based on careful judgements and have been properly reflected in the summary financial statements.

The Government fulfills its accounting and reporting responsibilities, through the Office of the Provincial Comptroller, by maintaining systems of financial management and internal control. The systems are continually enhanced and modified to provide timely and accurate information, to safeguard and control the Government's assets, and to ensure all transactions are in accordance with *The Financial Administration Act*.

The Auditor General expresses an independent opinion on these financial statements. His report, stating the scope of his audit and opinion, appears on the following page.

These financial statements are tabled in the Legislature. They are referred to the Standing Committee on Public Accounts, which reports to the Legislature on the results of its examination together with any recommendations it may have with respect to the financial statements and accompanying audit opinion.

On behalf of the Government of the Province of Manitoba.

Betty-Anne Pratt, CPA, CA

Betty-Anne Pratt, CPA, CA
Provincial Comptroller

September 23, 2015

OFFICE OF THE
AUDITOR GENERAL
MANITOBA

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of the Province of Manitoba

We have audited the accompanying consolidated financial statements of the Province of Manitoba, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of revenue and expense, accumulated deficit, change in net debt and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Province of Manitoba as at March 31, 2015, and the results of its operations, the changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Norm Ricard

September 23, 2015
Winnipeg, Manitoba

Norm Ricard, CPA, CA
Auditor General

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SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at March 31, 2015

SCHEDULE		2015	2014 Restated
		($ millions)	
	FINANCIAL ASSETS		
	Cash and cash equivalents	1,983	1,600
	Temporary investments (Note 2)	215	202
1	Amounts receivable	1,570	1,548
	Inventories for resale	79	75
	Portfolio investments (Note 3)	1,841	2,293
2	Loans and advances	1,251	1,145
3	Equity in government business enterprises (Note 4)	3,804	3,820
	Total Financial Assets	10,743	10,683
	LIABILITIES		
4	Borrowings	23,257	21,946
5	Accounts payable, accrued charges, provisions and unearned revenue	4,204	3,971
6	Pension liability (Note 5)	2,245	2,038
	Total Liabilities	29,706	27,955
	NET DEBT	(18,963)	(17,272)
	NON-FINANCIAL ASSETS		
	Inventories held for use	59	62
	Prepaid expenses	58	58
7	Tangible capital assets	11,461	10,599
	Total Non-Financial Assets	11,578	10,719
	ACCUMULATED DEFICIT	(7,385)	(6,553)

Contingencies (Note 6)
Contractual Obligations (Note 7)

The accompanying notes and schedules are an integral part of these financial statements.

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF REVENUE AND EXPENSE

For the Year Ended March 31, 2015

	($ millions)		
	2015		2014
	Budget	Actual	Actual
REVENUE			
Income taxes:			
Corporation income tax	530	562	468
Individual income tax	3,102	3,117	2,978
Other taxes:			
Retail sales tax	2,207	2,205	2,028
Fuel taxes	340	334	329
Levy for health and education	326	321	315
Education property tax	701	461	434
Other taxes	658	579	617
Fees and other revenue	2,039	2,183	2,202
Federal transfers:			
Equalization	1,750	1,750	1,799
Canada Health and Canada Social Transfers	1,610	1,621	1,524
Shared cost and other	433	438	495
Net income from government business enterprises (Schedule 3)	692	899	783
Sinking funds and other investment earnings	242	269	242
Total Revenue (Schedule 9)	14,630	14,739	14,214
EXPENSES			
Health	5,791	5,979	5,706
Education	3,895	3,639	3,562
Family Services	1,115	1,120	1,074
Community, Economic and Resource Development	2,477	2,541	2,415
Justice and Other Expenditures	837	1,071	1,158
Debt Servicing (Note 8)	872	841	821
Total Expenses (Schedule 9)	14,987	15,191	14,736
NET LOSS FOR THE YEAR	(357)	(452)	(522)

The accompanying notes and schedules are an integral part of these financial statements.

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF ACCUMULATED DEFICIT
For the Year Ended March 31, 2015

	($ millions)	
	2015 Actual	2014 Actual Restated
Opening accumulated deficit, as previously reported	(6,625)	(5,936)
Changes in account policy (Note 1D(vii))	72	72
Opening accumulated deficit, reflecting change in accounting policy	(6,553)	(5,864)
Prior period adjustments (Note 16)	(61)	-
Opening accumulated deficit, as restated	(6,614)	(5,864)
Other comprehensive income (Schedule 3)	(319)	(167)
Net loss for the year	(452)	(522)
Closing accumulated deficit,	(7,385)	(6,553)

The accompanying notes and schedules are an integral part of these financial statements.

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
For the Year Ended March 31, 2015

	($ millions)		
	2015		2014
	Budget	Actual	Actual Restated
Net loss for the year	(357)	(452)	(522)
Tangible capital assets (Schedule 7)			
Acquisition of tangible capital assets	(1,553)	(1,534)	(1,333)
Amortization of tangible capital assets	580	595	554
Disposal of tangible capital assets	-	62	22
Net acquisition of tangible capital assets	(973)	(877)	(757)
Other Non-Financial Assets			
Decrease (Increase) in inventories	-	3	(7)
Decrease (Increase) in prepaid expenses	-	-	2
Net acquisition of other non-financial assets	-	3	(5)
Other comprehensive loss (Schedule 3)	-	(319)	(167)
(Increase) in Net Debt	(1,330)	(1,645)	(1,451)
Net Debt, beginning of year, as previously reported	(17,288)	(17,344)	(15,893)
Change in accounting policy (Note 1D(vii))	-	72	72
Net Debt, beginning of year, restated for change in accounting policy	(17,288)	(17,272)	(15,821)
Prior period adjustments (Note 16)	-	(46)	-
Net Debt, beginning of year, as restated	(17,288)	(17,318)	(15,821)
Net Debt, end of year	(18,618)	(18,963)	(17,272)

The accompanying notes and schedules are an integral part of these financial statements.

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CASH FLOW
For the Year Ended March 31, 2015

	($ millions) 2015	 2014
Cash and cash equivalents provided by (used in)		
Operating Activities		
Net loss for the year	(452)	(522)
Changes in non-cash items:		
Temporary investments	(13)	27
Amounts receivable	(1)	94
Valuation allowance	(22)	55
Inventories	(1)	(8)
Prepaids	-	2
Accounts payable, accrued charges, provisions and deferrals	202	181
Pension liability	207	210
Amortization of foreign currency fluctuation	6	6
Amortization of debt discount	(107)	(42)
Unamortized losses on derivative contracts	96	12
Loss on disposal of tangible capital assets	62	22
Amortization of tangible capital assets	595	554
	572	591
Other comprehensive loss (Schedule 3)	(319)	(167)
Changes in equity in government business enterprises	16	(54)
Cash provided by operating activities	269	370
Capital Activities		
Acquisition of tangible capital assets	(1,534)	(1,333)
Cash used in capital activities	(1,534)	(1,333)
Investing Activities		
Investments purchased	(2,810)	(2,758)
Investments sold or matured	1,585	2,276
Cash used in investing activities	(1,225)	(482)
Financing Activities		
Debt issued	5,556	4,735
Debt redeemed	(2,683)	(2,983)
Cash provided by financing activities	2,873	1,752
Increase in cash and cash equivalents	383	307
Cash and cash equivalents, beginning of year	1,600	1,293
Cash and cash equivalents, end of year	1,983	1,600
Supplementary information:		
Interest received	270	245
Interest paid	849	852

The accompanying notes and schedules are an integral part of these financial statements.

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

For the Year Ended March 31, 2015

1. SIGNIFICANT ACCOUNTING POLICIES

A. General Basis of Accounting

The summary financial statements have been prepared in accordance with Canadian public sector accounting standards.

B. The Government Reporting Entity

Various funds, Crown organizations (Crowns) and government business enterprises (GBEs) comprising the Government Reporting Entity (GRE) are listed in Schedule 8 to the summary financial statements.

To be considered a part of the GRE, an organization must be controlled by the Government. Control, as defined by the Public Sector Accounting Board (PSAB), is the power to govern the financial and operating policies of another organization with expected benefits or the risk of loss to the Government from the other organization's activities.

C. Basis of Consolidation

Crowns are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the GRE as outlined in note 1D of the significant accounting policies. Inter-entity accounts and transactions are eliminated upon consolidation, except for retail sales tax. Where the fiscal year-end dates of Crowns are not the same as that of the GRE, and their transactions significantly affect the financial statements, their financial results are updated to March 31.

GBEs, whose principal activity is carrying on a business, maintain their accounts in accordance with accounting principles which are generally accepted for business enterprises and which are considered appropriate to their individual objectives and circumstances. They derive the majority of their revenue from sources outside the GRE. They are reported in these summary financial statements using the modified equity method of accounting. Under the modified equity method, the original investment of the Government, in GBEs, is initially recorded at cost and adjusted annually to include the net income or losses and other net equity changes of these enterprises, without adjusting their accounting policies to a basis consistent with that of the GRE.

The financial results of GBEs are not updated to March 31, where their fiscal year end is not the same as that of the GRE, except when transactions, which would significantly affect the summary financial statements, occur during the intervening period. Inter-entity accounts and transactions with GBEs are not eliminated. Supplementary financial information describing the financial position and results of operations of these enterprises is presented in Schedule 3 to the summary financial statements.

Effective January 1, 2011 all GBEs, except the Manitoba Hydro-Electric Board (Manitoba Hydro) adopted International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). IFRS standards are not required to be adopted by senior governments. As an entity reporting their operation under rate regulated accounting, Manitoba Hydro was eligible for an extension to January 1, 2015 for the adoption of IFRS.

On January 30, 2014 the IASB issued a new interim standard, IFRS 14 *Regulatory Deferral Accounts*. This standard allows GBEs to continue to use their existing rate regulated accounting practices upon adoption of IFRS until the IASB completes its comprehensive project on rate regulated accounting. This standard becomes effective January 1, 2016; however, early adoption is permitted. Manitoba Hydro will early adopt IFRS 14 upon its transition to IFRS.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Specific Accounting Policies

(i) Gross Accounting Concept

Revenues and expenses are recorded as gross amounts with the following exceptions:

(1) Refunds of revenue are treated as reductions of current year revenue.
(2) Decreases in valuation allowances are treated as reductions to expense.
(3) Where there is sufficient evidence that the borrowings undertaken by the Government are specifically on behalf of a GBE, the recoveries of the debt servicing costs on self-sustaining debt of GBEs are recorded as a reduction of debt servicing expense.

(ii) Revenue

(1) Government transfers

Transfer payments from the Government of Canada include all accruals determined for current year entitlements that have been authorized by March 31, for which any eligibility criteria have been met and that can be reasonably estimated.

(2) Taxes

Revenues from individual and corporation income tax are accrued in the year earned based upon estimates made by the Government of Canada using statistical models. These revenues are recorded at estimated amounts after considering adjustments for tax concessions and other adjustments from the Government of Canada. Transfers made through the tax system are recognized as an expense.

Revenues from other taxes are accrued in the year earned and are recorded net of tax concessions and other adjustments. Transfers made through the tax system are recognized as an expense.

(3) Other revenue

All other revenues are recorded on an accrual basis except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

(iii) Expenses

(1) Accrual accounting

All expenses incurred for goods or services received are recorded on an accrual basis.

Expenses include provisional amounts recorded in anticipation of costs, which are quantifiable and have been identified as obligations.

(2) Government transfers

Government transfers are recognized as expenses in the period in which the transfer is authorized, any eligibility criteria are met, and the amounts can be reasonably estimated.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(iv) Financial Assets

(1) Accounts receivable

Accounts receivables are recorded at their full expected amount. A valuation allowance is recorded when collection of the receivable is considered doubtful.

(2) Loans and advances

Loans and advances are recorded at cost less valuation allowances. A valuation allowance is provided to reduce the value of the assets to their estimated realizable value or to reflect the impact of significant concessionary terms on outstanding loans. Valuation allowances are made when collection is considered doubtful. Premiums that may arise from the early repayment of loans or advances are reflected as deferred revenue and are amortized monthly to debt servicing expense over the term of the loan or advance.

(3) Investments

Investments denominated in foreign currency are translated to the Canadian dollar equivalent at the exchange rate in effect at March 31, unless the rate of exchange or a forward foreign exchange contract fixing the value has been negotiated, in which case that rate or amount is used. The year end investment translation adjustments reflecting the foreign currency fluctuation between year ends are amortized monthly over the remaining life of the investment and are included with debt servicing expense. Expenses and other transaction charges incurred on the purchase of investments during the year are charged to debt servicing expense. Those expenses incurred in a foreign currency are translated at the exchange rate in effect on the transaction date. Gains and losses on terminated derivative contracts are deferred and amortized on a straight-line basis over the remaining term of the contract.

(4) Inventories for resale

Inventories held for resale are recorded at the lower of cost and net realizable value.

(v) Liabilities

Liabilities are present obligations to outside parties and GBEs as a result of transactions and events occurring prior to the end of the fiscal year. The settlement of the liabilities will result in the future transfer or use of assets or other form of settlement. Liabilities are recorded at the estimated amount ultimately payable.

(1) Borrowings

All borrowings are expressed in Canadian dollars and are shown net of unamortized debt issue costs and debt of the Government held as provincial investments. Foreign borrowings are converted at the exchange rate in effect at March 31, adjusted for any forward foreign exchange contract entered into for settlement after the fiscal year end. Discounts or premiums, and commissions incurred at the time of the issue of debt are amortized monthly to debt servicing expense over the term of the debt.

The year end translation adjustments, reflecting the foreign currency fluctuation from the value at the issue date, are recorded through the unamortized foreign currency fluctuation account and amortized monthly to debt servicing expense over the remaining term of the debt. The unamortized portion of foreign currency fluctuation also reflects the gains or losses on the conversion of foreign currency debt called prior to maturity using the rates in effect at the time of the call. These gains or losses are amortized over the original remaining term of the debt or over the term of the replacement issue, whichever is shorter.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Premiums on interest rate options are amortized monthly over the period of the applicable agreement. If the option is exercised, the premium will continue to be amortized to the maturity date of the agreement. If the option is not exercised, any unamortized premium will be immediately taken into revenue or expense. Gains and losses on terminated derivative contracts are deferred and amortized on a straight-line basis over the remaining term of the contract.

(2) Pension liability

The Government accounts for employee pension plans by recognizing a liability and an expense in the reporting period in which the employee has provided service using the accrued benefit actuarial cost method, except as disclosed in Note 5. The value of plan assets is determined using a moving average fair value method. Under this method, fair value is the underlying basis, with any excess (or shortfall) of investment returns over (or below) the expected long-term rate being amortized over a five year period. When actual experience varies from actuarial estimates, for both the accrued benefit obligation and plan assets, the difference is amortized over the expected average remaining service life of the related employee group. Past service costs from plan amendments are recognized in full as expenses in the year of the amendment.

(3) Employee future benefits

The Government recognizes the cost of accumulating benefits in the periods the employee provides service. For benefits that do not vest or accumulate, a liability is recognized when the event that obligates the Government to pay benefits occurs.

The amount of the liabilities for severance, the Long Term Disability Income Plan and workers compensation claims are based upon actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations because actual experience is different from that expected and/or because of changes in the actuarial assumptions used. The resulting actuarial gains or losses for the severance liability are amortized over the expected average remaining service life of the related employee group. Actuarial gains and losses for the Long Term Disability Income Plan and the workers compensation claims are recognized as they arise. The liability is recognized under employee future benefits.

The Government accrues a liability for vacation pay and accumulating, non-vesting sick pay benefits. The liability for accumulating, non-vesting sick pay benefits is based upon a review of past experience to extrapolate a liability based upon expected future utilization of currently accumulated benefits. The liability is recognized under salaries and benefits.

(4) Guarantees

Guarantees by the Government are made through specific agreements or legislation to repay promissory notes, bank loans, lines of credit, mortgages and other securities. The provisions for losses on guaranteed loans are determined by a review of individual guarantees. A provision for losses on these guarantees is recorded when it is likely that a loss will occur. The amount of the loss provision represents the Government's best estimate of probable claims against the guarantees. Where circumstances indicate the likelihood of claims arising, provisions are established for those loan guarantees.

(5) Liability for contaminated sites

The Government recognizes a liability for remediation of contaminated sites when the following criteria have been met: there is evidence that contamination exceeds an environmental standard, the Government is directly responsible or accepts responsibility for the contamination, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. In cases where Government's responsibility is not determinable, a contingent liability may be disclosed.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The liability reflects the Government's best estimate of the amount required to remediate the site to the current minimum standard of use prior to contamination, as of the financial statement date. The liability is determined on a site-by-site basis and is reduced by estimated recoveries from third-parties. Recorded liabilities are adjusted each year for the passage of time, new obligations, changes in management estimates and actual remediation costs incurred. The Government will measure the liability using present value techniques when cash flows are expected to occur over extended future periods.

(vi) Non-Financial Assets

(1) Recognition and measurement

In the public sector, recognition and measurement of tangible capital and other non-financial assets are based on their future service potential. Generally, such assets do not generate future net cash inflows. Therefore, these assets will not provide resources to discharge the liabilities of the Government. For non-financial assets, the future economic benefit consists of their capacity to render service to fulfill the Government's objectives.

(2) Inventories

Inventories held for resale are classified as non-financial assets if it is anticipated that the sale will not be completed within one year of the reporting date. Inventories held for use are classified as non-financial assets.

(3) Prepaid expenses

Prepaid expenses are payments for goods or services which will provide economic benefits in future periods. The prepaid amount is recognized as an expense in the year the goods or services are used or consumed.

(4) Tangible capital assets

The cost of tangible capital assets purchased includes the purchase price as well as costs such as installation costs, design and engineering fees, survey and site preparation costs and other costs incurred to put the asset into service. The cost of tangible capital assets constructed by the Government includes all direct construction costs such as materials, labour, design, installation, engineering, architectural fees, and survey and site preparation costs, as well as overhead costs directly attributable to the construction activity such as licenses, inspection fees, indirect labour costs, and amortization expense of any equipment which was used in the construction project. Any carrying costs associated with the development and construction of tangible capital assets is included for projects whose cost exceeds $20 million and development time exceeds one year.

Certain assets, which have historical or cultural value, including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made.

Intangible assets and items inherited by right of the Crown, such as Crown lands, forests, water and other mineral resources are not recognized in the Government's financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

General Tangible Assets:	
Land	Indefinite
Buildings and leasehold improvements	
Buildings	10 to 60 years
Leasehold improvements	Life of lease
Vehicles and equipment	
Vehicles	3 to10 years
Aircraft and vessels	5 to 24 years
Machinery, equipment and furniture	3 to 20 years
Maintenance and road construction equipment	15 years
Computer hardware, software licences	3 to 15 years
Infrastructure Assets:	
Land	Indefinite
Land improvements	10 to 30 years
Transportation	
Bridges and structures	40 to 75 years
Provincial highways, roads and airstrips	10 to 40 years
Dams and water management structures	40 to 100 years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is put into service.

(vii) Changes in Accounting Policy

Effective April 1, 2014, the Government adopted the new Public Sector Accounting Board accounting standard - Liability for Contaminated Sites, Section PS3260. Section PS3260 establishes standards on how to account for and report a liability associated with the remediation of contaminated sites. The adoption of this new standard has resulted in the de-recognition or reclassification of $78 million in liabilities, previously established for the removal of asbestos from Government buildings. Comparative figures have been restated, resulting in an impact to opening equity and net debt of $72 million and a $7 million (2014 - $6 million) reclassification to accrued liabilities.

(viii) Classification by Sector

The Province reports operational results under the following sectors; health, education, family services, community economic and resource development, justice and other expenditures, and general government. The entities and departments included in each sector are identified in Schedule 8 to the summary financial statements.

The health sector includes provincial health care programs and includes all health related entities and services.

The education sector includes all education services including elementary, secondary and post-secondary services, including the pension related expenses associated with this sector.

The family services sector includes all social services related to employment and income support for individuals in need as well as a comprehensive range of social services and financial assistance programs provided to Manitobans throughout the Province.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The community economic and resource development sector includes the promotion and development of the Province's natural resources including the support of industries within this sector. It also includes the operation and maintenance of transportation systems including highway infrastructure and other Government infrastructure. The sector also contains the management and administration of housing policies and benefits for low to moderate income renters and homeowners.

The justice and other expenditures sector include general administration, finance, executive and legislature, cultural and sport related activities. The sector contains criminal and civil legal services and programs that protect the rights of Manitobans. Also included in the sector are all general government pension related expenses.

The general government sector is comprised of those activities that cannot to be allocated to the specific sectors noted above.

Inter-segment transfers between sectors are measured at the exchange amount.

E. Measurement Uncertainty

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues and expenses are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable amount, as there is whenever estimates are used.

Measurement uncertainty in these financial statements exists in the accrual of individual and corporate income taxes, Canada Health Transfer and Canada Social Transfer entitlements, accruals for pension obligations, accruals for the remediation of contaminated sites, allowances for doubtful loans, accruals for liabilities valued through actuarial valuations, such as long term disability, severance, sick pay obligations and workers compensation claims and advances and provision for losses on guarantees.

The nature of the uncertainty related to the accrual of health and social transfer payments from the Government of Canada and individual and corporate income taxes arises because of the possible differences between the estimates for the economic factors used in calculating the accruals and actual economic results. The uncertainty related to accruals for pension obligations arises because actual results may differ significantly from the Government's best estimates of expected results based on variables such as earnings on the pension investments, salary increases and the life expectancy of claimants. The uncertainty related to the accrual for the remediation of contaminated sites exists because the remediation activities, methods, and the extent of contamination may differ significantly from the Government's original assessment of the site and proposed remediation plans. Uncertainty concerning the allowance for doubtful loans and advances is based upon actual collectability and changes in economic conditions.

While management's best estimates have been used for reporting items subject to measurement uncertainty, it is possible that changes in future conditions in the near term could require a material change in the valuation of the reported amounts. Near term is defined as a period of time not to exceed one year from the date of the financial statements.

2. TEMPORARY INVESTMENTS

	($ millions)	
	2015	**2014**
Temporary investments	215	202

Temporary investments are recorded at cost, which approximates market value. Temporary investments consist of investments with financial institutions, government bonds and other short term investment vehicles. All of the securities have terms to maturity of less than one year.

3. PORTFOLIO INVESTMENTS

	($ millions) 2015	2014
Sinking funds	1,348	1,519
Other investments	472	747
Unamortized termination losses on derivative contracts	21	27
	1,841	2,293

Portfolio investments are recorded using the cost method. Under this method, any discount or premium arising on the purchase of a fixed term security is amortized over the period to maturity. Portfolio investments are written down to market value only in those circumstances where the loss in value is other than temporary in nature. As at March 31, 2015, the market value of portfolio investments was $1,903 million (2014 - $2,267 million). Portfolio investments earned $119 million during the year (2014 - $99 million).

Sinking Funds

Section 60 of *The Financial Administration Act* authorizes the Minister of Finance to provide for the creation and management of sinking funds for the orderly retirement of debt. The Government's sinking fund currently provides for the repurchase of foreign debt and the pre-funding of maturing debt issues. The sinking fund is invested principally in securities issued or guaranteed by federal and provincial governments. Sinking funds are invested in fixed income securities as follows:

	($ millions) 2015		2014	
	Book Value	Fair Value	Book Value	Fair Value
Government of Canada, direct and guaranteed	45	46	147	147
Provincial, direct and guaranteed	1,179	1,167	1,246	1,239
Municipal	99	99	101	102
Corporate	25	26	25	27
	1,348	1,338	1,519	1,515

Investment revenue earned on sinking funds during the year was $47 million (2014 - $50 million).
The sinking funds are allocated as follows:

	($ millions) 2015	2014
Sinking funds	1,389	1,544
Less: Uninvested portion of sinking funds held in cash and cash equivalents	(41)	(25)
Total sinking funds held in portfolio investments	1,348	1,519

3. PORTFOLIO INVESTMENTS (Continued)

Other Investments

	($ millions) 2015	2014
Guaranteed investment certificates	41	52
Bonds – Government of Canada, provincial and municipal	119	189
Bonds – Corporate	128	384
Equity investments	154	103
Investments in real estate	30	19
	472	747

As at March 31, 2015 the market value of other investments was $565 million (2014 - $752 million). Other investments earned $72 million during the year (2014 - $49 million).

4. EQUITY IN GOVERNMENT BUSINESS ENTERPRISES

The GBEs that are included in the summary financial statements are listed in Schedule 8 and are classified as follows:

Category	**Definition**
Utility	An enterprise which provides public utility services for a fee.
Insurance	An enterprise which provides insurance coverage services to the public for a fee.
Finance	Enterprises which provide regulatory control, and are revenue generating, or enterprises which use economy of scale to deliver goods and services to the public.

The operating results and financial position of each GBE category are reported in Schedule 3 to the summary financial statements.

Included in the equity in GBEs are equities, which are restricted for use by provincial legislation and thereby not available to discharge Government liabilities or to finance other Government programs. The equity in GBEs is comprised of:

	($ millions) 2015	2014
Restricted Equity in Government Business Enterprises:		
Deposit Guarantee Corporation of Manitoba	252	224
Manitoba Hydro-Electric Board	2,669	2,812
Manitoba Public Insurance Corporation	410	387
Workers Compensation Board of Manitoba	457	382
	3,788	3,805
Unrestricted Equity in Government Business Enterprises:		
Manitoba Liquor and Lotteries Corporation	5	5
Manitoba Public Insurance Corporation	11	10
	16	15
Equity in Government Business Enterprises	3,804	3,820

5. PENSION PLANS

The Government participates in various pension plans. The two primary plans, in which the Government directly participates, are the Civil Service Superannuation Plan and the Teachers' Pension Plan. As per the Acts that administer these plans, the Government is responsible for 50% of pension benefits earned by employees. These Plans are joint trusteed plans. The Government's pension liability reflects its share of the actuarial present values of pension benefits attributed to services rendered by employees and former employees, net of any plan assets which are set aside by the Government in an irrevocable trust. As of March 31, 2015, the pension liability for the Civil Service Superannuation Plan was $775 million (2014 - $726 million) and the pension liability for the Teachers' Pension Plan was $1,406 million (2014 - $1,272 million).

Other pension plans in which the Government participates include the Members of the Legislative Assembly Plan, the Legislative Assembly Pension Plan, the Judges' Supplemental Pension Plan and the Winnipeg Child and Family Services Employee Benefits Retirement Plan. The Government is responsible for any excess of accrued pension benefits over pension fund assets for these plans.

The Government also includes several other pension plans in its pension liability. These other plans include post-secondary education pension plans and public school divisions' pension plans. Post-secondary education pension plans include the University of Manitoba Pension Plans, the University of Winnipeg Pension Plan and the Brandon University Retirement Plan. Public school divisions' pension plans include the Winnipeg School Division Pension Fund for Employees Other Than Teachers, Retirement Plan for Non-Teaching Employees of the St. James-Assiniboia School Division, Retirement Plan for Employees of Frontier School Division and School District of Mystery Lake Pension Plan. The Government is responsible for any excess of accrued pension benefits over pension fund assets for these plans.

Employees in the health sector are members of the Health Care Employees Pension Plan, a multi-employer defined benefit pension plan established between employees and participating boards. Because the Government does not sponsor this plan, the accrued benefit liability of this plan is not recognized in these financial statements. The annual net benefit plan expense is the amount of required contributions provided for employees' services rendered during the year. During the year, the Government expensed contributions to this plan of $139 million (2014 - $132 million). At December 31, 2014 the Plan had an excess of net assets available for benefits over pension obligations of $279 million.

As at March 31, 2015, the total pension liability being reflected in the summary financial statements was $2,245 million (2014 - $2,038 million). Details related to the pension liability are provided in Schedule 6 to the summary financial statements. The following provides general information on the contributions and benefit formulae of the various pension plans, which are included in this schedule.

A. Civil Service Superannuation Plan

The Civil Service Superannuation Act (CSSA) established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government through the Civil Service Superannuation Fund (CSSF).

The lifetime pension calculation equals 2% of a member's best five-year average yearly pensionable earnings multiplied by pensionable service, minus 0.4% of the average Canada Pension Plan (CPP) earnings multiplied by pensionable service since January 1, 1966.

The CSSA requires employees to contribute 6.5% of pensionable earnings up to the CPP maximum pensionable earnings, and 7.5% on pensionable earnings above the maximum. Commencing on July 1, 2012 employee contributions increased by .5% per year and will continue increasing by .5% until the 2015 calendar year. At that time employees will be required to contribute 8.0% of pensionable earnings up to the CPP maximum pensionable earnings, and 9.0% on pensionable earnings above the maximum. 89.8% of employee contributions are used to fund basic benefits and 10.2% of employee contributions are allocated to funding indexing benefits. The Government funds 50% of the monthly pension retirement benefits paid to retirees.

Indexing benefits are not guaranteed and are paid only to the extent that the indexing adjustment account in CSSF can finance one-half of the cost-of-living increases granted. The maximum annual adjustment is limited by legislation to two-thirds of the increase in the Consumer Price Index for Canada.

5. PENSION PLANS (Continued)

As a joint trusteed plan, Schedule 6 only reports the Province's conditional share of the net obligation. The estimated financial position of both the employee and employer components of the Civil Service Superannuation Plan are reported in the December 31, 2014 audited financial statements of CSSF. At December 31, 2014, after accounting for provincial pension assets held in trust and trust assets held in trust for GBE's, CSSF had an estimated accrued net obligation of $690 million (2013 - $716 million). This valuation is not on the same basis of reporting as the summary financial statements and does not include adjustments for unamortized actuarial gains or losses nor the impact of valuing assets on a market related value basis as opposed to market value. This valuation also includes estimated net obligations related to GBE's, which are included in the summary financial statements on a modified equity basis, and other entities that are not part of the GRE.

B. Teachers' Pension Plan

The Teachers' Pensions Act (TPA) established a defined benefit plan to provide pension benefits to teachers who have taught in public schools in Manitoba.

The lifetime pension calculation is generally based upon 2% of a member's average salary of the best five of the final 12 years of service (best seven prior to July 1, 1980) multiplied by pensionable service, minus the years of service multiplied by 0.6% of the annual salary up to the yearly maximum pensionable earnings. The pension amount is subject to a maximum of 70% of the average annual salary used above.

The TPA requires that teachers contribute 7.3% of pensionable earnings up to the CPP maximum earnings, and 8.9% of pensionable earnings above the maximum. Commencing September 1, 2012 teacher contributions increased .5% per year and will continue increasing at .5% per year until September 1, 2015. At that time the TPA will require teachers to contribute 8.8% of pensionable earnings up to the CPP maximum pensionable earnings and 10.4% of pensionable earnings above the maximum. 83.3% of teacher's contributions are used to fund basic benefits and 16.7% of teachers contributions are allocated for funding indexing benefits. The Government funds 50% of the monthly pension retirement benefits paid to retirees.

Indexing benefits are not guaranteed and are paid only to the extent that the indexing adjustment account in Teachers' Retirement Allowances Fund can finance one half of the cost-of-living increases granted. The maximum annual adjustment is limited by legislation to two-thirds of the increase in the Consumer Price Index for Canada to a maximum of 5.33%.

As a joint trusteed plan, Schedule 6 only reports the Province's conditional share of the net obligation. The estimated financial position of both the employee and employer components of the Teachers' Pension Plan are reported in the December 31, 2014 audited financial statements of Teachers' Retirement Allowances Fund (Fund). At December 31, 2014, after accounting for provincial pension assets held in trust, the Fund had an estimated accrued net obligation of $1,271 million (2013 - $1,383 million). This valuation is not on the same basis of reporting as the summary financial statements and does not include adjustments for unamortized actuarial gains or losses nor the impact of valuing assets on a market related value basis as opposed to market value.

C. Other Government Plans

(i) Members of the Legislative Assembly Plan

The pension plan for Members of the Legislative Assembly (MLAs) is established and governed by *The Legislative Assembly Act* (LAA).

For MLAs elected prior to the dissolution of the Assembly of the 35th Legislature, the LAA provides for defined pension benefits based on years of service to April 1995. The calculation for defined pension benefits is equal to 3% of the average annual indemnities for the last five years served as a member or all the years served; if less than five, multiplied by the number of years of pensionable service up to April 1995. These entitlements are fully indexed to cost of living increases.

5. PENSION PLANS (Continued)

For those MLA's elected after the 35th Legislature in April 1995, the LAA provides for matching contributions. Under the matching contributions provisions, MLAs may contribute up to 7% of their remuneration toward a Registered Retirement Savings Plan (RRSP) of their choice. The Government matches the member's contributions on a current basis; consequently, there is no liability for past service benefits under this component of the plan. In the event that a member withdraws money from the RRSP, while an active member of the Legislative Assembly, the Government's contribution would be refundable back to the Government.

(ii) Legislative Assembly Pension Plan

The Members' Retirement Benefits Regulation of *The Legislative Assembly Act* established a defined benefit plan, effective December 7, 2005 that provides pension benefits to eligible MLAs who elect to participate in the plan.

The pension benefits accumulate up to a maximum period of 35 years at 2% per year of pensionable service based upon the average of the best five-year annual salaries, reduced by an amount equal to 0.25% times the number of months before the member's 60th birthday that the first pension payment is made. These entitlements are indexed to 2/3 of cost of living increases.

Active members must contribute 7% of their earned salary to the plan. The Government makes contributions as necessary to ensure the pension fund has sufficient assets to cover the monthly pension payments to retirees as well as ensuring there are sufficient funds to cover any of the plans liabilities. Any surplus of plan assets over the pension obligation can be used by the Government to reduce future contributions.

(iii) Judges' Supplemental Pension Plan

Manitoba Provincial Court Judges and Masters are members of the Civil Service Superannuation Plan; however, they also receive enhanced pension benefits under the Manitoba Provincial Court Judges and Masters' Supplemental Pension Plan. These supplemental pension benefits for judges are the difference between the total pension benefits for judges, including the amendments introduced by Judicial Compensation Committees, and the formula pension available under *The Civil Service Superannuation Act* (CSSA) as described above in Note 5A.

The supplemental pension is generally based upon an accrual rate of 3% for each year of service, as a judge, up to a maximum of 23.5 years, reduced by the pension provided under the CSSA. The combined total of the Judges' Supplemental Pension and Civil Service Superannuation Pension is subject to a maximum of 70% of earnings. These enhanced benefits are entirely funded by the Government.

(iv) Winnipeg Child and Family Services Employee Benefits Retirement Plan

Established effective December 29, 2003, the Winnipeg Child and Family Services Employee Benefits Retirement Plan (WCFSP) applies to employees of the former Winnipeg Child and Family Services Agency, who transferred to the Department of Family Services and Labour.

The lifetime pension calculation equals 2% of the member's highest average pensionable earnings in any three non-overlapping periods of 12 consecutive months, less 0.6% of the average CPP earnings for the same period multiplied by years of pensionable service. Indexing payments are subject to approval by the Trustees, subject to increases in the Consumer Price Index.

Members are required to contribute 4.5% of pensionable earnings up to the CPP maximum and 6% on pensionable earnings over the maximum. Any surplus of plan assets over the pension obligation can be used by the Government to reduce future contributions.

5. PENSION PLANS (Continued)

D. Other Pension Plans

(a) Post-Secondary

(i) University of Manitoba Pension Plan

The University of Manitoba administers The University of Manitoba Pension Plan (1970), The University of Manitoba Pension Plan (1993), and The University of Manitoba GFT Pension Plan (1986). These are trusteed pension plans. The Trustees are responsible for the custody of the plans' assets and issuance of annual financial statements. The December 2009 funding valuation indicated that the University of Manitoba Pension Plan (1993) was in a funding deficiency position which the University is funding over fifteen years at an annual additional payment of $4 million.

University of Manitoba Pension Plan (1993) is a money purchase plan with a defined benefit minimum. The funding for the plan requires a matching contribution from the University and the employees. The plan is not indexed. Plan members contribute at a rate of 9.0% of salary less an adjustment for the Canada Pension Plan during 2014.

Retirement benefits are calculated by using the greater of the two methods: Formula and Plan Annuity. For each year of pensionable service, Formula benefit equals 2.0% of the average best five year salary, less 0.7% of the average best five year salary under the yearly maximum pensionable earnings in the year of retirement, to a maximum of 1/9 of the Pension Plans money purchase limit. The benefit is reduced by ¼% for each month between the actual pension commencement date and the age of 65. Plan Annuity benefit is based on contribution account balance, age of the retirement, and the annuity factor determined by the plan actuary.

In 2009, the Manitoba Pension Commission advised the University of Manitoba it was required to begin to make additional payments with respect to current service costs in excess of matching contributions of active members and the University. The additional current service cost payments required are based on a percentage of employee contributions. The total payment for fiscal 2015 was $3 million (2014 - $7 million).

The University of Manitoba Pension Plan (1970) operates as a defined contribution or money purchase arrangement for service since 2003. Certain members retain an entitlement to a hybrid formula for the service prior to 2003, similar to the 1993 Plan.

The University of Manitoba GFT Pension Plan (1986) is a defined contribution pension plan; therefore there is no requirement for an actuarial valuation of this plan.

(ii) University of Winnipeg Pension Plan

The University of Winnipeg administers the University of Winnipeg Pension Plan (UWPP), which is comprised of a defined benefit segment and a defined contribution segment. The assets of the Plan are held in trust by independent custodians. The defined benefit segment of the UWPP was closed to new members effective January 1, 2001. Members who join after this date join the defined contribution plan.

The UWPP was established as a contributory defined benefit pension plan on September 1, 1972 and covers all eligible empoyees of the University, except those who are members of the United Church of Canada Pension Plan. The funding for the plan requires a matching contribution from the University and the employees. Annual pension equals 2.0% of the final five year average earnings multiplied by the years of pensionable service, less 0.6% of CPP average earnings for each year of pensionable service. The pension benefit is subject to a plan benefit maximum limit of $1,722.22 per year of pensionable service. At December 2010 the Plan had a going-concern deficiency of $25 million, which the University is addressing by making annual deficiency payments of $3 million until the deficiency is eliminated.

Since December 31, 2000, when the defined contribution segment of the Plan was introduced, approximately one-quarter of the eligible members converted to that plan. The obligation for pension benefits under the defined contribution segment of the Plan will always be equal to net assets in each member's account. Therefore, no surplus or deficiency arises from fluctuations in the investment market.

(iii) Brandon University Retirement Plan

Brandon University administers the Brandon University Retirement Plan, which is a trusteed pension plan. The Trustees are responsible for the custody of the Plan's assets and issuance of annual financial statements.

The Brandon University Retirement Plan is a final average contributory defined benefit pension plan established on April 1, 1974 for the benefit of the employees of Brandon University. The funding for the plan requires a matching contribution from the University and the employees.

Employees are required to contribute 8.0% of pensionable earnings less 1.8% of pensionable earnings for which Canada Pension Plan contributions are required. Pensionable earnings are subject to an annual limit related to the maximum benefit accrual in a year. For 2015 the yearly maximum contributory earnings is $114,830.

Annual pension equals 2.0% of the final five year average earnings multiplied by the years of pensionable service, less 0.6% of CPP average earnings for each year of pensionable service. The pension benefit is subject to a plan benefit maximum limit of $1,722.22 per year of pensionable service for members retired on or before April 1, 2009, and $1,975.00 for those retiring after that date.

(b) Public School Divisions

(i) The Winnipeg School Division Pension Fund for Employees Other Than Teachers

The Winnipeg School Division Pension Fund for Employees Other Than Teachers is a defined benefit pension plan for employees that meet specified employment conditions. The fund was created by By-law 196 of the Winnipeg School Division (replaced by By-law 1017 on January 1, 1992) and is subject to the applicable regulations.

The pension calculation is based on an amount equal to 1.6% of a member's average pensionable salary and 2.0% of a member's average salary over the pensionable salary, multiplied by a member's years of pensionable service. The average salary is determined by averaging the best five years of employment salary in the last twelve years of service.

Employee contributions equal 8.1% of pensionable salary and 9.5% of the earnings in excess of pensionable salary up to the yearly maximum pensionable earnings, effective January 1, 2014. The Winnipeg School Division matches employee contributions and pays an additional 12.4% of employee contributions less the amount needed to finance the Disability Income Plan benefits (approximately 10%). As a result, employer contributions equal approximately 119.2% of employee contributions.

(ii) Retirement Plan for Non-Teaching Employees of the St. James-Assiniboia School Division

The St. James-Assiniboia School Division Retirement Plan for Non-teaching Employees is a defined benefit pension plan that was established on January 1, 1978 and is subject to the applicable regulations.

The pension calculation is based on an amount equal to 1.4% of a member's average employment earnings below CPP earnings and 2.0% of a member's employment earnings in excess of the CPP earnings, multiplied by a member's years of contributory service. The average employment earnings are determined by averaging the best six years of employment earnings in the last 12 years of service.

Effective July 1, 2014, employee contributions equal 8.2% of CPP earnings and 9.8% of the employment earnings in excess of CPP earnings. The St. James-Assiniboia School Division matches employee contributions.

5. PENSION PLANS (Continued)

(iii) Retirement Plan for Employees of Frontier School Division

The Frontier School Division Retirement Plan is a defined benefit pension plan for non-teaching employees.

The pension benefit is based on an amount equal to 2.0% of a member's best average earnings, multiplied by a member's years of credited service. The average employment earnings are determined by averaging the best five years of employment earnings.

Employee contributions equal 9.0% of CPP earnings, with the Frontier School Division matching employee contributions. The Frontier School Division is responsible for the balance of the pension cost, of which a portion can be financed by an allocation from pension surplus.

(iv) School District of Mystery Lake Pension Plan

School District of Mystery Lake Pension Plan is a defined benefit plan.

The School District shall contribute in accordance with the terms of the collective agreement such amounts as necessary to provide the future service pension for all members and to amortize any unfunded liability or a solvency deficiency in the Plan. In the event the School District's contributions are not sufficient the legislation permits the Board of Trustees to amend the plan to reduce future accrued pension benefits in order to meet the required legislated funding requirements

Effective July 1, 2013 employees contribute 5.0% of gross earnings. Prior to July 1, 2013 employees did not make contributions to the plan. The plan provides that if the defined benefit pension exceeds the plan annuity, the difference is paid from the plan.

The pension benefits are calculated based on a rate per month per year of service. The current rate for maintenance and custodial workers is $23 per month per year of service. For maintenance and clerical workers the pension benefit is $20 per month per year of service.

E. Government Business Enterprises

Manitoba Hydro, Manitoba Liquor and Lotteries Corporation and Manitoba Public Insurance Corporation (MPIC) are members of the CSSF. Effective April 1, 2014 Manitoba Liquor and Lotteries Corporation became a matching employer. As a result, they no longer recognize a pension liability in their statements. The net pension liabilities for the other GBEs are disclosed in Schedule 3.

6. CONTINGENCIES

A. Contingent Liabilities

i) Legal Actions

The Government has been named in various legal actions. No provision has been made at March 31, 2015 in the accounts where the final results are uncertain.

6. CONTINGENCIES (continued)

ii) Canadian Blood Services

The majority of provincial and territorial governments of Canada, including Manitoba, are members of, and provide funding to, Canadian Blood Services, which operates the Canadian blood system. The March 31, 2015 audited financial statements of Canadian Blood Services indicate that a wholly owned subsidiary, CBS Insurance Company Limited, provides for the contingent liabilities for risks related to operations of the blood system. The actuarially determined provisions for future insurance claims, reported and unreported, related to insured events that occurred prior to March 31, 2015 is $250 million (2014 - $250 million). The related assets as at March 31, 2015 total $414 million (2014 - $384 million). The subsidiary also had a re-insurance contract for additional coverage of $750 million.

Based upon the above, the Government's share of the provision for future claims as at March 31, 2015 is offset with designated assets, which at that point exceed the provision. In addition, there is re-insurance to cover an additional $750 million in claims of insured events occurring on or before March 31, 2015. The Government is not aware of any proceedings that could lead to a claim against it given the existing arrangement in place.

iii) Treaty Land Entitlement Obligations

The Government's obligations under the treaty land entitlement agreements require the setting aside of 1,426,454 acres of Crown lands and Other Lands (Acquisition) for reserve creation. To date, the Entitlement First Nations have collectively selected and acquired approximately 1,009,427 acres of Crown lands and other lands. The Crown lands will be transferred according to the Natural Resources Transfer Agreement, and the transfer will include mines and minerals and other interests normally reserved for the Government, under *The Crown Land Act* or any other statute. To meet this obligation, the government of Manitoba has made available or transferred to the Government approximately 706,069 acres of provincial Crown lands for the purposes of reserve creation for Entitlement First Nations.

iv) Government Business Enterprise Contingencies

Significant contingencies for Government Business Enterprises include:

Manitoba Hydro is party to an agreement dated December 16, 1977, with Canada, the Province of Manitoba and the Northern Flood Committee Inc., representing the five First Nations in the communities of Cross Lake, Nelson House, Norway House, Split Lake and York Landing. This agreement, in part, provides for compensation and remedial measures necessary to ameliorate the impacts of the Churchill River diversion and the Lake Winnipeg Regulation projects. Reassessments of these liabilities will be made as settlements are achieved. As a result, the organization anticipates further mitigation issues, the outcomes of which are not determinable at this time.

Manitoba Hydro will incur future costs associated with the assessment and remediation of contaminated lands and facilities for the phase-out and destruction of polychlorinated biphenyl contaminated mineral oil from electrical equipment. A reasonable estimate of the associated costs cannot be made at this time.

The Deposit Guarantee Corporation of Manitoba has guaranteed $23 billion in credit union deposits at the end of December 31, 2014 ($22 billion – December 31, 2013). Based upon its ongoing monitoring procedures, the Corporation has concluded that a provision for such contingencies does not need to be established at this time.

6. CONTINGENCIES (continued)

B. Loan Guarantees

The Government has guaranteed the repayment of debt, promissory notes, bank loans, lines of credit, mortgages and securities held by others. Debt guaranteed by the Government is guaranteed, as to principal and interest, until the debt is matured or redeemed. The authorized limits and the outstanding guarantees are summarized as follows:

	Authorized Limit	($ millions) 2015	2014
Canadian Museum for Human Rights	35	16	4
Manitoba Agricultural Services Corporation (Note 6B.a)	-	79	80
Manitoba Student Aid Program (Note 6B.b)	20	-	-
Manitoba Housing and Renewal Corporation (Note 6B.c)	20	10	10
Other	17	6	5
Manitoba Grow Bonds		3	3
Total guarantees outstanding		114	102

A provision for future losses on guarantees in the amount of $19 million (2014 - $18 million) has been recorded in the accounts.

Note 6B.a) Manitoba Agricultural Services Corporation

The Manitoba Agricultural Services Corporation has guaranteed loans under the following programs:

Program	General Terms and Conditions
Operating Credit Guarantees for Agriculture	Each participating lending institution is guaranteed 25% of the respective value of loans made under this program.
Operating Credit Guarantees for Rural Small Business	Each participating lending institution is guaranteed the lesser of 25% of the maximum amount advanced or 75% of the lender's actual eligible loss.
Manitoba Livestock Associations Loan Guarantees	Each association 's lending institution is guaranteed 25% of their loaned amount, up to a maximum loan of $5 million per association.
Enhanced Diversification Loan Guarantee Program	Guarantees are based on 25% of the original principal amount of each individual loan, with no maximum loan amount.
Rural Entrepreneur Assistance Program	Each participating lender is guaranteed up to 80% of the loan made to small rural non-agricultural business to a maximum guarantee of $0.2 million.

6. CONTINGENCIES (continued)

Note 6B.b) Manitoba Student Aid Program

The Government guarantees three types of student loans, as follows:

Loan type	Nature of loan
Guaranteed loans	Issued by the Canadian Imperial Bank of Commerce (CIBC) from April 1, 1993 to December 31, 1994. These loans are fully guaranteed, if the loan is deemed to be in default.
Limited risk loans	Issued by the CIBC from January 2, 1995 to December 31, 1997 and issued by the Royal Bank from June 2, 1997 to July 31, 2000. The Government only guarantees those loans in default that have been issued to credit abusers, insolvent creditors and minors.
Non-risk loans	Issued by the Royal Bank from August 1, 2000 to July 31, 2001. The Government has agreed to guarantee and purchase any loan deemed to be in default.

Note 6B.c) Manitoba Housing and Renewal Corporation

Manitoba Housing and Renewal Corporation has guaranteed the repayment of various mortgages and issued various letters of credit, up to $20 million, which guarantee the terms and conditions of land development agreements and construction contracts.

C. Manitoba HydroBonds and Hydro-Electric Board Bonds Guarantees

As at March 31, 2015, Manitoba Hydro has outstanding Manitoba HydroBonds and Manitoba Hydro-Electric Board Bonds amounting to $233 million (2014 - $327 million). These bonds carry fixed and variable coupon rates that range from 1.65% to 10.00%. Manitoba HydroBonds are redeemable at the option of the holder. The Government guarantees $169 million (2014 - $263 million) of these outstanding bonds.

7. CONTRACTUAL OBLIGATIONS

The Government has entered into a number of multi-year contracts and agreements for the delivery of services and the acquisition or construction of assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. The following represents the amounts required to satisfy the contractual obligations, by the year that it is anticipated that the terms of the contract will be met, as at March 31:

($ millions)	**2016**	**2017**	**2018**	**2019**	**2020**	**2021 and beyond**	**Total**
Government departments, Crowns and Special Funds	434	237	225	228	206	292	1,622
Government Business Enterprises	10	9	9	8	7	44	87
Total	444	246	234	236	213	336	1,709

7. CONTRACTUAL OBLIGATIONS (continued)

Other significant obligations not included in the table above are:

Crown Corporations

Crowns of the Province have entered into contractual arrangements related to construction projects totalling $602 million (2014 - $543 million).

Government Business Enterprise Contractual Obligations

Manitoba Hydro has energy purchase commitments of $1,499 million (2014 - $1,571 million) that relate to future purchases of wind, natural gas (including transportation and storage contracts), coal and electricity. Commitments are primarily for wind, which expire in 2038, and natural gas purchases, which expire in 2020. In addition, other outstanding commitments principally for construction, are approximately $3,567 million (2014 - $2,676 million).

Manitoba Liquor and Lotteries Corporation has purchase commitments of $21 million (2014 - $19 million) related to casino and retail liquor store construction projects.

Manitoba Hydro provides guarantees to counterparties as part of its use of natural gas derivative commodity contracts. Guarantees issued at March 31, 2015 totalled $361 million (2014 - $311 million) and do not have specific maturity dates. Manitoba Hydro has also issued letters of credit in the amount of $67 million (2014 - $7 million) for energy related transactions with maturities until 2016.

Workers Compensation Board has contractual agreements to contribute funding to a maximum of $43 million (2014 - $81 million) to specific investment projects. These will be financed from their existing investment portfolio or from available cash.

8. DEBT SERVICING

Debt servicing costs of $841 million (2014 - $821 million) are net of interest recoveries from GBEs of $562 million (2014 - $521 million), interest on provincial debt held as investments of $16 million (2014 - $13 million) and includes $33 million (2014 - $42 million) representing interest expense of Crown organizations. GBEs debt servicing costs of $537 million (2014 - $480 million) are reported in Schedule 3.

9. AMOUNTS DUE TO THE GOVERNMENT OF CANADA

To offset negative adjustments to the 2004 Equalization payments, the Government of Canada provided a loan payable to the Government of $38 million repayable over a ten-year period, commencing in April 2006. As at March 31, 2015, this loan payable had been reduced to $4 million (2014 - $8 million). Similarly, to offset negative adjustments to the 2004 Canada Health and Social Transfer (CHST) entitlements, the Government of Canada provided a loan payable to the Government of $9 million repayable over a ten-year period, commencing in April 2006. As at March 31, 2015 this loan payable had been reduced to $1 million (2014 - $2 million). These loans are non-interest bearing.

Through the Manitoba Opportunities Fund Ltd., the Government holds and invests deposits made through the Federal Department of Citizenship and Immigration, Canada's Immigrant Investor Program. As of March 31, 2015, the Government has loans repayable to the Government of Canada of $240 million (2014 - $282 million). Payment is due five years after receipt. The Government is charged an administrative fee for each loan.

10. AMOUNTS HELD IN TRUST

Amounts held in trust are assets over which the Manitoba Legislature has no power of appropriation. The amounts are not included in the summary financial statements because the Government has no equity in the amounts and administers them according to trust or other agreed-upon arrangements. As at March 31, 2015 amounts held in trust were as follows:

	($ millions) 2015	($ millions) 2014
Fiduciary Trusts	561	571
Custodial Trusts	136	123
	697	694

Fiduciary Trusts

The Government holds certain interest bearing deposits as fiduciary trusts. These deposits are pooled with the Government's investments in order to earn a market rate of interest.

Custodial Trusts

The Government holds custodial trust funds in the form of bonds and other securities.

11. RISK MANAGEMENT AND THE USE OF DERIVATIVE FINANCIAL INSTRUMENTS

Borrowings in both Canadian and foreign financial markets result in exposure to risks, which include foreign exchange risk, interest rate risk, credit risk and liquidity risk.

The Government employs various risk management strategies and operates within fixed risk exposure limits to ensure exposure to risk is managed in a prudent and cost effective manner. A variety of strategies are used, including the use of derivative financial instruments (derivatives).

Derivatives are financial contracts, the value of which is derived from underlying instruments. The Government uses derivatives to hedge and to mitigate foreign exchange risk and interest rate risk. The Government does not use derivatives for speculative purposes.

Foreign exchange risk

Foreign exchange risk is the risk that the cash flows needed to repay the interest and principal on loans in foreign currencies will vary due to fluctuations in foreign exchange rates.

To manage this risk, the Government uses derivative contracts, including foreign exchange forward contracts as well as swaps, to convert foreign currency principal and interest cash flows into Canadian dollar denominated cash flows. The current portfolio of foreign debt is fully hedged through the use of derivatives and U.S. dollar sinking funds, except for the impact of the unamortized foreign exchange fluctuation account of $27 million (2014 - $33 million). This account is fixed with no sensitivity to future foreign exchange rates.

Derivative contracts hedge the underlying debt by matching the critical terms to achieve effectiveness. The current policy has hedged the foreign currency debt principal and interest payments through the use of derivatives in relation to general purpose debt.

Manitoba Hydro has exposure to U.S. dollar foreign exchange fluctuations primarily through the sale and purchase of electricity and fuel in the U.S. This exposure is managed through a long-term natural hedge between U.S. dollar cash inflows from export revenues and U.S. dollar cash outflows for long-term debt coupon and principal payments and thermal fuel purchases. For its U.S. debt retirement purposes, Manitoba Hydro has a hedging relationship between U.S. dollar long-term debt balances and U.S. sinking funds. As a means to bridge temporary timing differences between inflows and outflows to future years' U.S. dollar requirements, Manitoba Hydro also utilizes derivative foreign exchange forward contracts as required.

11. RISK MANAGEMENT AND THE USE OF DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Interest rate risk

Interest rate risk is the risk that debt servicing costs will vary unfavourably according to interest rate fluctuations.

To reduce its exposure to interest rate risk, the Government uses derivatives to manage the fixed and floating interest rate mix of its debt portfolio.

After taking into account derivatives used to manage interest rate risk, investments held as sinking funds and eliminating debt incurred on behalf of Manitoba Hydro, the structure of the debt as at March 31, 2015 was 89% at fixed rates and 11% at floating rates (2014 – 89% at fixed rates and 11% at floating rates). A one percent (100 basis points) movement in interest rates on the 11% floating rate debt for an entire year would increase/decrease debt servicing costs, net of recoveries, by $25 million (2014 - $23 million).

Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations.

The Government manages its credit risk exposure from derivatives by, among other activities, dealing only with high credit quality counterparties and regularly monitoring compliance to credit limits. In addition, the Government enters into contractual agreements ("master agreements") with all of its counterparties. As at March 31, 2015 the Government has a gross credit risk exposure related to derivatives of $406 million (2014 - $208 million).

Liquidity risk

Liquidity risk is the risk that the Government will not be able to meet its financial commitments over the short term.

To reduce liquidity risk, the Government maintains liquid reserves (i.e. cash and cash equivalents) at levels that will meet future cash requirements and will give the Government flexibility in the timing of issuing debt. In addition, the Government has short-term note programs, bank lines and sinking funds as alternative sources of liquidity. This risk is also managed by distributing debt maturities over many years.

Derivative portfolio

The following table presents the fair value of derivative financial instruments with contractual or notional principal amounts outstanding at March 31:

	($ millions)			
	2015		2014	
	Notional Value	Fair Value	Notional Value	Fair Value
Interest rate and cross currency swaps	39,057	(768)	38,486	(461)

Notional amounts of derivatives contracts represent the contractual amounts to which a rate or price applied for computing the cash flows to be exchanged. The notional amounts are used to determine the gains/losses and fair value of the contracts and are generally a measure of the exposure to the asset class to which the contract relates. They are not recorded as assets or liabilities on the statement of financial position. Notional amounts do not represent the potential gain or loss associated with the market risk or credit risk associated with the derivative contract.

Fair values of the swap agreements are the estimated amount that the Government would receive or pay, based on market factors, if the agreements were terminated on March 31. They are established by discounting the expected cash flows of the swap agreements using year-end market interest and exchange rates. A positive (negative) fair value indicates that the government would receive (make) a payment if the agreements were terminated.

12. SIGNIFICANT TRANSACTIONS WITH GOVERNMENT BUSINESS ENTERPRISES

Transactions with GBEs are not eliminated for purposes of summary reporting because they are reported in these summary financial statements using the modified equity method of accounting. These financial statements include the following transactions between the Government and GBEs, which have not been eliminated:

A. Accounts Receivable

Amounts receivable includes receivables from GBEs as reported in Schedule 1 to the summary financial statements. Loans and advances to GBEs are reflected in Schedule 2 to the summary financial statements.

B. Borrowings

Borrowings include $831 million (2014 - $863 million) owed to MPIC relating to capital financing of school board and health care facilities and the financing of other Government programs. These borrowings are repayable over a term from 2015 to 2052 at varying interest rates ranging from 1.15% to 9.38%.

C. Water Power Rentals

Water power rental fees charged to Manitoba Hydro, in the amount of $117 million (2014 - $118 million), are included in the Consolidated Statement of Revenue and Expense under the fees and other revenue category. Water power rental rates are authorized by Regulation 25/88 and 197/2001 under *The Water Power Act*. Rentals are paid to the Government for the use of water resources in the operation of Manitoba Hydro's hydroelectric generating stations.

D. Fees on Government Guarantees

Manitoba Hydro remitted $109 million (2014 - $99 million) to the Government based on the amount of their debt that is guaranteed by the Government. The fees are included in the Consolidated Statement of Revenue and Expense under the sinking funds and other investment earnings category.

E. Driver Licensing Operations

The Government, by agreement, paid $28 million (2014 - $28 million) to Manitoba Public Insurance Corporation (MPIC) for the management and administration of driver licensing. MPIC, on behalf of the Government, collected driver licensing fees totalling $24 million (2014 - $23 million) and motor vehicle registration fees totalling $180 million (2014 - $176 million).

The fees received by the Government are included in the Consolidated Statement of Revenue and Expense under the fees and other revenue category.

F. Other Revenue

Under *The Workplace Safety and Health Act of Manitoba*, the Workers Compensation Board supports the administrative expenses incurred by the Government's Department of Labour and Immigration for the Workplace Safety and Health program and the Worker Advisor Office. The amount for the year ended March 31, 2015 was $10 million (2014 - $10 million).

Manitoba Liquor and Lotteries Corporation provided $7 million in funding to the Addictions Foundation of Manitoba for the year ended March 31, 2015 (2014 - $7 million) for addictions and problem gambling services programs. In addition, the Corporation provided $5 million (2014 - $4 million) in funding to the Liquor and Gaming Authority of Manitoba and the Crown Corporations Council through the payment of annual license fees and levies.

Manitoba Hydro and MPIC paid the Province $66 million (2014 - $61 million) and $1 million (2014 - $Nil) respectively, for Corporation Capital Tax

These amounts received by the Government are included in the Statement of Revenue and Expense under the fees and other revenue and other taxes categories.

13. EMPLOYEE FUTURE BENEFITS

	($ millions) 2015	2014
Severance	422	408
Long term disability income plan	26	25
Workers compensation claims	30	29
	478	462

The severance liability is valued using discount rates that range from 2.5% to 6.5% and salary increase rate which range from 3.0% to 4.3%. Unamortized actuarial gains and losses are amortized over EARSL. Periods range from 6 to 15 years. As of March 31, 2015 unamortized losses were $13 million.

The long term disability income plan is valued using a discount rate of 3.9%. Actuarial gains and losses are recognized to income as they occur. Workers compensation claims are recognized based on an actuarial valuation prepared for the Workers Compensation Board. The December 31, 2014 valuation was prepared using a discount rate of 6.0% and a salary increase rate of 4.0%. Actuarial gains and losses are recognized into income as they occur.

14. EXPENSES IN EXCESS OF LEGISLATIVE AUTHORITY

The budget estimate presented on the Consolidated Statement of Revenue and Expense, excludes $235 million in special warrants related to the Core Government. The original budget estimate amounts plus the $235 million in special warrants becomes the revised estimates, against which expenses in excess of legislative authority are determined.

Based upon the revised estimates, the following departments were over-expended as a result of adjustments made after March 31, 2015:

	($ millions)
Conservation and Water Stewardship	28
Employee Pensions and Other Costs	2
Mineral Resources	3
Other Appropriations	19

15. LIABILITY FOR CONTAMINATED SITES

	($ millions) 2015	2014
Liability for contaminated sites	293	311

As of March 31, 2015 the liability for contaminated sites include sites associated with mining activities, mineral exploration, highway maintenance, airports, marines, landfills, sewage treatment facilities, commercial and industrial operations, parks and other protected areas. The nature of contamination includes petroleum hydrocarbons, polyaromatic hydrocarbons, BTEX (benzene, toluene, ethylbenzene and xylenes), toxic heavy metals, polychlorinated biphenyl (PCBs) and other organic contaminants. The sources of contamination include above ground and underground fuel storage tanks, fuel handling, pipelines, chemical storage, by-product waste, metal based paint, and the leaching of materials deposited in landfills. Sites often have multiple sources of contamination. $59 million in expenditures have been discounted at 3.9% over the next 25 years.

16. ADJUSTMENTS TO ACCUMULATED DEFICIT

During the year, the Government reviewed the accounting treatment for several account balances and determined that certain restatements were required. The Government determined that floodway assets were in use one year earlier than previously established. This required the reversal of $11 million in capitalized interest and the addition of $4 million of accumulated amortization. As a result, the net book value of tangible capital assets was reduced by $15 million. This adjustment increased the opening accumulated deficit by $15 million and has no impact on opening net debt.

The Government determined that certain changes were necessary to previous assumptions and methodologies that were used to value sick leave liabilities. It also determined that it was necessary to recognize sick leave liabilities for certain reporting entities, which the Province had previously deferred. The expense related to these deferred sick leave liabilities was previously being recognized over the employees' average remaining service life. As a result, the sick leave liability was increased by $31 million. This adjustment increased the opening accumulated deficit and opening net debt by $31 million.

The Government determined that the terms of their existing student loan portfolio were concessionary in nature. This required the recognition of a discount to their loan portfolio. As a result, the balance of loans and advances was reduced by $15 million. This adjustment increased the opening accumulated deficit and opening net debt by $15 million.

Prior year results have not been restated to reflect these changes.

17. COMPARATIVE FIGURES

Certain 2014 financial statement figures have been reclassified to be consistent with the 2015 presentation.

SCHEDULE 1

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF AMOUNTS RECEIVABLE
As at March 31, 2015

	($ millions)	
	2015	**2014**
TAXATION:		
Income taxes	205	196
Retail sales tax	230	215
Other taxes	112	115
	547	526
GOVERNMENT OF CANADA AND OTHER GOVERNMENTS:		
Government of Canada shared cost programs/agreements	413	441
Other	357	333
	770	774
OTHER:		
Health and social services	152	159
Government business enterprises	81	85
Sundry departmental revenue	129	124
Other	126	136
	488	504
	1,805	1,804
Less: Allowances	235	256
Total Amounts Receivable	1,570	1,548

SCHEDULE 2

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF LOANS AND ADVANCES
As at March 31, 2015

	($ millions) 2015	 2014
GOVERNMENT BUSINESS ENTERPRISES:		
Manitoba Hydro-Electric Board	12,485	10,683
Manitoba Liquor and Lotteries Corporation	342	283
	12,827	10,966
Less: Debt incurred for and repayable by the Manitoba Hydro-Electric Board	12,485	10,683
	342	283
OTHER:		
Loans and mortgages - Note a	717	673
Stadium loan - Note b	136	129
Manitoba student loans - Note c	89	92
Family services agencies - Note d	29	29
Other	2	4
	973	927
TOTAL LOANS AND ADVANCES	1,315	1,210
Less: Valuation allowance	64	65
NET LOANS AND ADVANCES	1,251	1,145

The government business enterprises loans and advances portfolio is due in varying annual amounts to the year 2063, bearing interest at either:

i) fixed with rates ranging from 1.75% to 10.50%; or

ii) floating Canadian - Bankers Acceptance (BA) setting, established monthly or quarterly, with the 1 month BA rate at 0.998 and 3 month BA rate at 1.000 as at March 31, 2015.

Note a

		2015	2014
i)	Agricultural direct lending and special assistance program mortgages, due in varying annual amounts to the year 2041, bearing interest rates ranging from 2.75% to 11.50%.	477	425
ii)	Housing direct lending and special assistance program mortgages, due in varying annual amounts to the year 2053, bearing interest rates ranging from 0.0% to 14.25%.	116	123
iii)	Business development assistance loans, due in varying annual amounts to the year 2040, bearing interest rates ranging from 0.0% to 7.375%.	91	95
iv)	Northern business development and fishing industry assistance loans, due in varying annual amounts to the year 2034, bearing interest rates ranging from 4.25% to 9.87%.	33	30
		717	673

Note b Stadium loan to BBB Stadium Inc, issued in two phases, payment due in varying annual amounts to 2038 on Phase 1 and 2058 for Phase 2, bearing interest at 4.65%.

Note c Student loans, payment and interest free until 6 months past the completion of studies, due 114 to 174 months after that time, carrying interest at prime.

Note d Advances to provide family services agencies with advances prepayment of fee for service charges, to be repaid when no longer required, bearing no interest.

SCHEDULE 3

SUMMARY FINANCIAL STATEMENTS

GOVERNMENT BUSINESS ENTERPRISES

SCHEDULE OF CONSOLIDATED OPERATING RESULTS AND FINANCIAL POSITION

For the Year Ended March 31, 2015
($ millions)

	UTILITY	INSURANCE	FINANCE	TOTAL 2015	TOTAL 2014 Restated
CHANGES IN EQUITY					
Results from Operations:					
Revenues from operations	2,320	1,724	1,491	5,535	5,411
Expenses: From operations	1,680	1,535	884	4,099	4,148
Debt servicing	527	-	10	537	480
Total expenses	2,207	1,535	894	4,636	4,628
Net income	113	189	597	899	783
Other comprehensive loss	(256)	(62)	(1)	(319)	(167)
Total comprehensive income (loss)	(143)	127	596	580	616
Transfers to the Government	-	-	(596)	(596)	(562)
Net increase in equity in government business enterprises	(143)	127	-	(16)	54
FINANCIAL POSITION					
Assets:					
Cash and temporary investments	494	81	41	616	284
Amounts receivable	470	399	52	921	940
Portfolio investments: Due from Government and government organizations	114	864	-	978	961
Due from others	-	3,429	-	3,429	3,086
Capital assets	14,809	148	375	15,332	13,764
Other assets	1,212	213	71	1,496	1,408
Total assets	17,099	5,134	539	22,772	20,443
Liabilities:					
Accounts payable, accrued liabilities and deferred revenue	1,804	721	192	2,717	2,474
Long-term debt: Owing to Government	12,485	-	342	12,827	10,967
Other borrowings, discounts and deferred transaction costs	195	5	-	200	189
Net pension obligations (assets)	(54)	411	-	357	247
Future cost of existing claims	-	2,867	-	2,867	2,746
Total liabilities	14,430	4,004	534	18,968	16,623
Equity in government business enterprises	2,669	1,130	5	3,804	3,820

Note a: For government business enterprises whose fiscal year end is prior to March 31, the amounts reflected are as at their fiscal year end.

Note b: The Manitoba Liquor Control Commission and Manitoba Lotteries Corporation were merged into a single entity, effective April 1, 2014.

SUMMARY FINANCIAL STATEMENTS

SCHEDULE 4

CONSOLIDATED STATEMENT OF BORROWINGS

As at March 31, 2015

($ millions)

Fiscal Year of Maturity	Bonds and Debentures Cdn	Bonds and Debentures US	Canada Pension Plan Cdn	Loans and Mortgages Cdn	Promissory Notes and Treasury Bills Cdn	Totals 2015	Totals 2014
2015	-	-	-	-	-	-	4,217
2016	1,962	-	-	71	1,795	3,828	2,054
2017	2,007	634	-	55	-	2,696	2,615
2018	2,469	-	-	34	-	2,503	2,490
2019	1,868	761	-	65	-	2,694	2,585
2020	2,464	-	15	20	-	2,499	2,345
2015-2020	10,770	1,395	15	245	1,795	14,220	16,306
2021-2025	6,306	381	-	352	-	7,039	4,414
2026-2035	3,767	-	-	-	-	3,767	3,130
2036-2065	9,844	-	477	-	-	10,321	8,404
2015-2042 Crown Organizations	620	-	-	279	-	899	881
2021-2065	20,537	381	477	631	-	22,026	16,829
Total borrowings	31,307	1,776	492	876	1,795	36,246	33,135
Reduced by:							
Debt incurred for and repayable by the Manitoba Hydro-Electric Board						(12,485)	(10,683)
Unamortized debt issue costs						(202)	(95)
Unamortized foreign currency fluctuation						(27)	(33)
Unamortized gains and losses on derivative contracts						258	162
Province of Manitoba debt issues held as investments in sinking funds and cash and cash equivalents						(533)	(540)
						23,257	21,946

	March 31/15 Cdn $ Valuation (See Notes)	March 31/14 Cdn $ Valuation (See Notes)
Borrowings payable in:		
Canadian dollars	28,119	25,101
Foreign issues hedged to Canadian dollars	6,351	6,154
U.S. dollars	1,776	1,880
Total borrowings	36,246	33,135

Note a: The hedges are derivative contracts which include swaps and forward foreign exchange contracts.

Note b: The Canadian dollar valuation is calculated using the foreign currency exchange rates in effect at each March 31 adjusted for any forward foreign exchange contracts entered into for settlement after year-end.

Note c: Interest rates on these borrowings fall into one of three categories:

i) Fixed with rates ranging from 0.785% to 10.50%.

ii) Floating Canadian - Bankers Acceptance (BA) setting, established quarterly or monthly, with the lowest rate currently set at 0.75% and the highest set at 4.29% as at March 31, 2015.

iii) Floating U.S. - U.S. Dollar London Interbank Offering Rate (LIBOR) setting, established quarterly, with the rate currently set at 0.5302% as at March 31, 2015.

SCHEDULE 5

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF ACCOUNTS PAYABLE, ACCRUED CHARGES, PROVISIONS AND UNEARNED REVENUE
As at March 31, 2015

	($ millions) 2015	2014
ACCOUNTS PAYABLE	1,449	1,370
ACCRUED CHARGES:		
Interest	196	196
Disaster financial assistance	307	263
Liability for contaminated sites (Note 15)	293	311
Salaries and benefits	836	760
Employee future benefits (Note 13)	478	462
Other	207	178
	2,317	2,170
PROVISION FOR FUTURE LOSSES (Note 6)	19	18
UNEARNED REVENUE	419	413
Total Accounts Payable, Accrued Charges, Provisions and Unearned Revenue	4,204	3,971

SCHEDULE 6

SUMMARY FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PENSION LIABILITY

As at March 31, 2015

($ millions)

	Civil Service Superannuation Plan	Teachers' Pension Plan	Post-Secondary Education Plans (Note A)	Public School Division Plans (Note A)	Other Plans (Note A)	Total 2015	Total 2014 Restated
ACCRUED BENEFIT OBLIGATION							
Obligation at beginning of year as previously reported	2,619	3,480	1,374	429	107	8,009	7,687
Restatement	-	-	-	11	-	11	11
Obligation at beginning of year	2,619	3,480	1,374	440	107	8,020	7,698
Current service costs	80	87	60	19	4	250	247
Interest cost on benefit obligation	155	224	80	26	5	490	471
Change in actuarial (gains) losses and reserves	73	-	8	4	2	87	37
Plan amendment	-	-	2	-	-	2	-
Benefits paid	(141)	(178)	(110)	(21)	(4)	(454)	(433)
Obligation at end of year	2,786	3,613	1,414	468	114	8,395	8,020
PLAN ASSETS							
Plan assets at beginning of year as previously reported	1,912	2,020	1,301	428	43	5,704	5,157
Restatement	-	-	-	11	-	11	11
Plan assets at beginning of year	1,912	2,020	1,301	439	43	5,715	5,168
Employer contributions	89	96	41	11	4	241	239
Employee contributions	-	-	28	10	1	39	37
Transfer of plan assets	3	-	-	-	-	3	5
Plan asset contributions	-	-	-	-	-	-	-
Benefits paid	(141)	(178)	(110)	(20)	(4)	(453)	(433)
Expected return on plan assets	107	120	78	25	2	332	313
Experience gains (losses)	80	117	37	4	3	241	386
Market value of plan assets	2,050	2,175	1,375	469	49	6,118	5,715
Deferred investment losses (gains)	(148)	(191)	(74)	2	(4)	(415)	(296)
Market related value of plan assets	1,902	1,984	1,301	471	45	5,703	5,419
PENSION LIABILITY							
Plan deficit (surplus)	884	1,629	113	(3)	70	2,693	2,602
Unamortized actuarial gains (losses)	(109)	(223)	(98)	(27)	1	(456)	(566)
Surplus adjustments (Note B)	-	-	-	4	4	8	2
Pension liability	775	1,406	15	(26)	75	2,245	2,038
PENSION EXPENSE							
Defined benefit pension plan expense:							
Current service cost	80	87	60	19	4	250	247
Interest cost on benefit obligation	155	224	80	26	5	490	472
Return on plan assets	(107)	(120)	(78)	(25)	(2)	(332)	(313)
Employee contributions	-	-	(28)	(10)	(1)	(39)	(37)
Amortization of actuarial (gains) losses	12	39	19	2	(1)	71	86
Plan amendment	-	-	2	-	-	2	-
Change in surplus adjustments	-	-	-	3	4	7	(1)
Defined benefit pension plan expense	140	230	55	15	9	449	454
Defined contribution pension plan expense	-	-	5	17	139	161	154

SUMMARY FINANCIAL STATEMENTS

SCHEDULE 6
(cont'd)

CONSOLIDATED STATEMENT OF PENSION LIABILITY

As at March 31, 2015

	Civil Service Superannuation Plan	Teachers' Pension Plan	Post-Secondary Education Plans	Public School Division Plans	Other Plans	Total 2015	Total 2014
MEMBER DATA							
Defined benefit pension plan							
Number of active and deferred members	33,200	22,800	6,200	4,600	300	67,100	67,500
Number of pensioners	18,600	13,800	1,800	1,700	300	36,200	35,100
Total number of plan members	51,800	36,600	8,000	6,300	600	103,300	102,600
ACTUARIAL ASSUMPTIONS							
Discount rate on accrued benefits	6.00%	6.50%	5.75% - 6.00%	5.00% - 6.00%	5.00% - 5.50%		
Expected long-term rate of return	6.00%	6.50%	5.65% - 6.50%	5.00% - 6.00%	5.00% - 5.50%		
Inflation	2.00%	2.25%	2.00% - 2.50%	2.00% - 2.50%	2.00% - 2.50%		
Real rate of return	4.00%	4.25%	3.50% - 3.90%	3.00% - 4.00%	3.00% - 3.50%		
Rate of salary increase	3.75%	3.00%	2.00% - 3.00%	3.00% - 4.00%	3.50%		
Latest valuation	(Note C)	(Note C)	(Note C)	(Note C)	(Note C)		

Note A: Post-Secondary Education plans include the University of Manitoba Pension Plans, the University of Winnipeg Pension Plan and the Brandon University Retirement Plan.

Public School Division plans include the Winnipeg School Division Pension Fund for Employees Other Than Teachers, Retirement Plan for Non-Teaching Employees of the St. James-Assiniboia School Division, Retirement Plan for Employees of Frontier School Division and the School District of Mystery Lake Pension Plan.

Other plans include the Members of Legislative Assembly Pension Plan, the Legislative Assembly Pension Plan, the Judges' Supplemental Pension Plan, and the Winnipeg Child and Family Services Employee Benefits Retirement Plan.

Note B: For those plans that the Government is unable to access surplus funds within the plan, adjustments are made to record an allowance against these surplus amounts. These pension surplus allowances represent the excess of the adjusted benefit asset over the employers' share of the expected future benefit.

Note C: The latest actuarial valuation report dates and the estimated average remaining service life (EARSL), in years, are as follows:

	Valuation Date	EARSL
- Civil Service Superannuation Plan	Dec 2013	14.1
- Teachers' Retirement Allowance Plan	Jan 2012	11.9
- University of Manitoba Pension Plans	Dec 2013	9.0
- University of Winnipeg Pension Plan	Dec 2013	7.9
- Brandon University Retirement Plan	Dec 2014	8.5
- Winnipeg School Division Pension Fund for Employees Other than Teachers	Dec 2012	12.0
- Retirement Plan for Non-Teaching Employees of the St. James-Assiniboia School Division	Dec 2013	13.0
- Retirement Plan for Employees of Frontier School Division	Dec 2009	13.0
- School District of Mystery Lake	Jun 2014	17.3
- Members of Legislative Assembly Pension Plan	Mar 2014	4.9
- Legislative Assembly Pension Plan	Dec 2010	8.0
- Judges' Supplemental Pension Plan	Mar 2010	10.0
- Winnipeg Child and Family Services Employee Benefits Retirement Plan	Dec 2013	-

SCHEDULE 7

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS

For the Year Ended March 31, 2015
($ millions)

	General Capital Assets					Infrastructure				Totals	
	Land	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Assets Under Construction	Land and Land Improvements	Transportation	Dams and Water Management Structures	Assets Under Construction	2015	2014
Cost											
Opening cost, as previously reported	251	7,614	2,509	862	994	373	4,487	636	147	17,873	16,719
Prior Period Adjustments (Note 16)	-	-	-	-	-	-	-	(11)	-	(11)	-
Opening cost, as restated	251	7,614	2,509	862	994	373	4,487	625	147	17,862	16,719
Add:											
Additions during the year	14	521	141	27	222	49	396	3	161	1,534	1,333
Less:											
Disposals and write downs	(1)	(48)	(56)	(10)	(25)	(2)	-	-	(4)	(146)	(179)
Settlements and reclassifications	-	85	1	-	(86)	9	58	2	(69)	-	-
Closing cost	264	8,172	2,595	879	1,105	429	4,941	630	235	19,250	17,873
Accumulated amortization											
Opening accumulated amortization	-	3,126	1,702	554	-	65	1,743	84	-	7,274	6,877
Prior Period Adjustments (Note 16)	-	-	-	-	-	-	-	4	-	4	-
Opening cost, as restated	-	3,126	1,702	554	-	65	1,743	88	-	7,278	6,877
Add:											
Amortization	-	212	148	68	-	6	152	9	-	595	554
Less:											
Accumulated amortization on disposals and write downs	-	(21)	(52)	(10)	-	(1)	-	-		(84)	(157)
Closing accumulated amortization	-	3,317	1,798	612	-	70	1,895	97	-	7,789	7,274
Net Book Value of Tangible Capital Assets	264	4,855	797	267	1,105	359	3,046	533	235	11,461	10,599

During the year, the Province capitalized $9 million of interest relating to assets under construction (2014 - $12 million).

SCHEDULE 8

FUNDS, ORGANIZATIONS AND BUSINESS ENTERPRISES COMPRISING THE GOVERNMENT REPORTING ENTITY

HEALTH

- Manitoba Health, Healthy Living and Seniors
- Addictions Foundation of Manitoba
- CancerCare Manitoba
- Diagnostic Services of Manitoba Inc.
- Manitoba Health Services Insurance Plan
- Manitoba Hospital Capital Financing Authority
- Not-for-Profit Personal Care Homes
- Regional Health Authorities of Manitoba Inc.
- Regional Health Authorities (including controlled organizations)
  - Interlake-Eastern Regional Health Authority
  - Northern Regional Health Authority Inc.
  - Prairie Mountain Health
  - Southern Health-Santé Sud
  - Winnipeg Regional Health Authority
- Rehabilitation Centre for Children, Inc.
- St.Amant Inc.

EDUCATION

- Manitoba Education and Advanced Learning
- Assiniboine Community College
- Brandon University
- Université de Saint-Boniface
- Manitoba Text Book Bureau
- Public School Divisions
- Public Schools Finance Board
- Red River College
- University College of The North
- University of Manitoba
- University of Winnipeg

FAMILY SERVICES

- Manitoba Children and Youth Opportunities
- Manitoba Family Services
- First Nations of Northern Manitoba Child and Family Services Authority
- First Nations of Southern Manitoba Child and Family Services Authority
- General Child and Family Services Authority
- Métis Child and Family Services Authority

COMMUNITY, ECONOMIC AND RESOURCE DEVELOPMENT

- Manitoba Aboriginal and Northern Affairs
- Manitoba Agriculture, Food and Rural Development
- Manitoba Conservation and Water Stewardship
- Manitoba Jobs and the Economy

COMMUNITY, ECONOMIC AND RESOURCE DEVELOPMENT, cont'd

Manitoba Housing and Community Development
Manitoba Infrastructure and Transportation
Manitoba Mineral Resources
Manitoba Municipal Government
Abandonment Reserve Fund
Biodiesel Fund
Communities Economic Development Fund
Community Revitalization Fund
Co-operative Loans and Loans Guarantee Board
Cooperative Promotion Board
Crown Lands and Property Agency
Economic Development Winnipeg Inc (See Note)
Entrepreneurship Manitoba
Ethanol Fund
Farm Machinery and Equipment Act Fund
Fish and Wildlife Enhancement Fund
Food Development Centre
Green Manitoba Eco Solutions
Industrial Technology Centre
Leaf Rapids Town Properties Ltd.
Liquor and Gaming Authority of Manitoba
Manitoba Agricultural Services Corporation
Manitoba Cattle Enhancement Council
Manitoba Community Services Council Inc.
Manitoba Development Corporation
Manitoba Education, Research and Learning Information Networks (MERLIN)
Manitoba Floodway and East Side Road Authority
Manitoba Habitat Heritage Corporation
Manitoba Hazardous Waste Management Corporation
Manitoba Horse Racing Commission
Manitoba Housing and Renewal Corporation
Manitoba Opportunities Fund Ltd.
Manitoba Potash Corporation
Manitoba Trucking Productivity Improvement Fund
Manitoba Water Services Board
Materials Distribution Agency
Mining Community Reserve
Mining Rehabilitation Reserve Fund
Pineland Forest Nursery
Quarry Rehabilitation Reserve Fund
Research Manitoba
Vehicle and Equipment Management Agency
Veterinary Science Scholarship Fund
Waste Reduction and Recycling Support Fund

SCHEDULE 8
(cont'd)

JUSTICE AND OTHER EXPENDITURES

- Legislative Assembly
- Executive Council
- Civil Service Commission
- Manitoba Finance
- Manitoba Labour and Immigration
- Manitoba Justice
- Manitoba Multiculturalism and Literacy
- Manitoba Tourism, Culture, Heritage, Sport and Consumer Protection
- Crown Corporations Council
- Helen Betty Osborne Memorial Foundation
- Financial Literacy Fund
- Funeral Board of Manitoba
- Insurance Council of Manitoba
- Land Titles Assurance Fund
- Le Centre culturel franco-manitobain
- Legal Aid Manitoba
- Manitoba Arts Council
- Manitoba Centennial Centre Corporation
- Manitoba Combative Sports Commission
- Manitoba Film & Sound Recording Development Corporation
- Manitoba Law Reform Commission
- Manitoba Financial Services Agency
- Office of the Fire Commissioner
- Pension Assets Fund
- Special Operating Agencies Financing Authority
- Sport Manitoba Inc.
- Public Guardian and Trustee
- Travel Manitoba
- Venture Manitoba Tours Ltd.
- Victims Assistance Fund
- Vital Statistics Agency
- Workplace Safety and Health Public Education Fund

GOVERNMENT BUSINESS ENTERPRISES: (Schedule 3) (Note 4)

- **Utility:**
  - Manitoba Hydro-Electric Board
- **Insurance:**
  - Deposit Guarantee Corporation of Manitoba
  - Manitoba Public Insurance Corporation
  - Workers Compensation Board of Manitoba
- **Finance:**
  - Manitoba Liquor and Lotteries Corporation

SCHEDULE 8
(cont'd)

SPECIAL ACCOUNTS, not attached to a Sector or Department

Debt Retirement Account
Fiscal Stabilization Account

Note:

Econonmic Development Winnipeg Inc is a government partnership.

SCHEDULE 9

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF OPERATIONS BY SECTOR
For the Year Ended March 31, 2015

($ millions)

	Health		Education		Family Services		Community, Economic and Resource Development	
	2015	2014	2015	2014	2015	2014	2015	2014
	$	$	$	$	$	$	$	$
REVENUE								
Income taxes	-	-	-	-	-	-	-	-
Other taxes	-	-	495	467	-	-	17	7
Fees and other revenue	567	532	643	610	27	27	810	811
Federal transfers	1,174	1,105	130	131	1	1	282	293
Contributions from entities within the Government Reporting Entity	59	59	64	61	-	-	-	3
Sinking funds and other investment earnings	4	8	49	17	-	-	40	39
TOTAL REVENUE	1,804	1,704	1,381	1,286	28	28	1,149	1,153
EXPENSE								
Personnel services	3,406	3,278	2,751	2,702	182	180	443	423
Grants/Transfer payments	1,353	1,223	(159)	(167)	312	293	632	559
Transportation	61	64	33	33	4	4	28	34
Communication	17	16	23	24	3	3	18	16
Supplies and services	696	688	390	357	36	39	320	274
Social assistance related	-	1	4	4	628	596	732	639
Other operating	306	318	405	431	17	16	176	284
Debt servicing	49	48	146	138	1	1	258	246
Minor capital	20	17	63	60	1	-	7	9
Amortization	179	162	140	136	3	4	247	229
TOTAL EXPENSE	6,087	5,815	3,796	3,718	1,187	1,136	2,861	2,713
NET LOSS FOR THE YEAR	(4,283)	(4,111)	(2,415)	(2,432)	(1,159)	(1,108)	(1,712)	(1,560)

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF OPERATIONS BY SECTOR

SCHEDULE 9
(cont'd)

For the Year Ended March 31, 2015

($ millions)

	Justice and Other Expenditures		General Government (Note a)		Adjustments (Note b)		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	$	$	$	$	$	$	$	$
REVENUE								
Income taxes	-	-	3,679	3,446	-	-	3,679	3,446
Other taxes	-	-	3,422	3,282	(34)	(33)	3,900	3,723
Fees and other revenue	177	196	4	76	(45)	(50)	2,183	2,202
Federal transfers	17	23	2,205	2,265	-	-	3,809	3,818
Contributions from entities within the Government Reporting Entity	1	-	928	810	(153)	(150)	899	783
Sinking funds and other investment earnings	176	178	-	-	-	-	269	242
TOTAL REVENUE	371	397	10,238	9,879	(232)	(233)	14,739	14,214
EXPENSE								
Personnel services	553	561	15	18	66	24	7,416	7,186
Grants/Transfer payments	110	105	54	50	(380)	(359)	1,922	1,704
Transportation	10	10	6	23	(4)	1	138	169
Communication	13	14	-	-	-	-	74	73
Supplies and services	201	202	54	42	95	85	1,792	1,687
Social assistance related	4	10	-	-	-	-	1,368	1,250
Other operating	38	39	35	107	(21)	9	956	1,204
Debt servicing	380	388	-	-	7	-	841	821
Minor capital	3	2	1	-	(6)	-	89	88
Amortization	8	9	7	7	11	7	595	554
TOTAL EXPENSE	1,320	1,340	172	247	(232)	(233)	15,191	14,736
NET INCOME (LOSS) FOR THE YEAR	(949)	(943)	10,066	9,632	-	-	(452)	(522)

Note a: The general government category includes revenue from sources that cannot be attributed to a particular sector.

Note b: Consolidation adjustments are necessary to conform sectors to Government accounting policies and to eliminate transactions between sectors.

OTHER FINANCIAL REPORTS

FOR THE YEAR ENDED

March 31, 2015

OTHER FINANCIAL REPORTS

TABLE OF CONTENTS PAGE

Fiscal Stabilization Account (Audited) 125

Debt Retirement Account (Audited) 131

Consolidated Details and Reconciliation to Core Government Results (Unaudited) 133

OFFICE OF THE
AUDITOR GENERAL
MANITOBA

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of the Province of Manitoba

We have audited the accompanying Fiscal Stabilization Account Statement of Transfers and Account Balance of the Province of Manitoba for the year ended March 31, 2015 ("the statement"). The statement has been prepared by management based on section 65(1) (c) (ii) of the *Financial Administration Act*.

Management's Responsibility for the Statement

Management is responsible for the preparation of this statement in accordance with the *Financial Administration Act* and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial information in the Fiscal Stabilization Account Statement of Transfers and Account Balance of the Province of Manitoba for the year ended March 31, 2015 is prepared, in all material respects, in accordance with section 65(1) (c) (ii) of the *Financial Administration Act*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the statement, which describes the basis of accounting. The statement is prepared to assist the entity to meet the requirements of Section 65(1) (c) (ii) of the *Financial Administration Act*. As a result, the statement may not be suitable for another purpose.

Unaudited Information

The Schedule of Supplementary Information has been presented as unaudited information. The financial information in this schedule is not covered by our report and accordingly, we do not express an opinion on the information.

Norm Ricard

September 23, 2015
Winnipeg, Manitoba

Norm Ricard, CPA, CA
Auditor General

FISCAL STABILIZATION ACCOUNT
STATEMENT OF TRANSFERS AND ACCOUNT BALANCE

For the Year Ended March 31, 2015

	($ thousands)	
	2015	**2014**
Transfer to Core Government operations	(55,000)	(100,000)
Account Balance, beginning of year	274,533	374,533
Account Balance, end of year	219,533	274,533

FISCAL STABILIZATION ACCOUNT
NOTES TO STATEMENT OF TRANSFERS AND ACCOUNT BALANCE
For the Year Ended March 31, 2015

1. The Fiscal Stabilization Account was established under the authority of subsection 26.1(1) of *The Financial Administration Act*. The Fiscal Stabilization Fund established under *The Fiscal Stabilization Fund Act* is continued as the Fiscal Stabilization Account. The legislated purpose of the Account is to assist in stabilizing the fiscal position by supporting core government operations in a fiscal year or to repay debt. Under subsection 26.1(3) the Minister of Finance, with the approval of the Lieutenant Governor in Council, may deposit in the Account any part of the revenue or other financial assets received in the core government in any fiscal year. Under subsection 26.1(4), the Minister of Finance may, with the approval of the Lieutenant Governor in Council, transfer all or part of the Account balance to the core government.

2. Transactions in the Fiscal Stabilization Account are accounted for on an accrual basis and reflect the transfers made under Section 26.1(3) and 26.1(4) of *The Financial Administration Act*. Transfers are determined by the Minister of Finance and are authorized with an Order in Council. The report on these transactions is made in accordance with Section 65(1)(c)(ii) of *The Financial Administration Act*.

3. It is the Government's policy to divide the Fiscal Stabilization Account into two programs, the Health Program and the General Program, as presented in the attached, unaudited Schedule of Supplementary Information. Funds were allocated to the Health Program based upon funds received from the Federal Government for Wait Time Reduction programming and Other Health Related programming.

4. Subsection 26.1(2) of *The Financial Administration Act* stipulates that the Minister of Finance shall make every effort to ensure that the balance of the Account at the end of each fiscal year is at least 5% of the core government expenditures for that year. As authorized under amendments to *The Balanced Budget, Fiscal Management and Taxpayer Accountability Act,* Part 4.1, during the economic recovery period the Minister is directed to transfer at least $600 million from the Fiscal Stabilization Account to the core government to support the amortization of increases in general purposes debt, including related interest expenses, attributable to negative net results for fiscal years within that period.

FISCAL STABILIZATION ACCOUNT
SCHEDULE OF SUPPLEMENTARY INFORMATION
(Unaudited)
For the Year Ended March 31, 2015

	($ thousands)	
Fiscal Stabilization Account by Program	**2015**	**2014**
Health Program		
Account Balance, beginning of year	-	-
Health Program Transfers		
- Wait Time reduction Programming	-	-
Account Balance, end of year	-	-
General Program		
Account Balance, beginning of year	274,533	374,533
General Program Transfers		
- Health Program	-	-
- ecoTrust	-	-
- Transfer for General Purpose debt reduction	(55,000)	(100,000)
- Transfer to Core Government - allocated to general purposes	-	-
Account Balance, end of year	219,533	274,533
Total Account Balance, end of year	219,533	274,533

OFFICE OF THE
AUDITOR GENERAL
MANITOBA

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of the Province of Manitoba

We have audited the accompanying Debt Retirement Account Statement of Transfers and Account Balance of the Province of Manitoba for the year ended March 31, 2015 ("the statement"). The statement has been prepared by management based on section 65(1) (c) (i) of the *Financial Administration Act*.

Management's Responsibility for the Statement

Management is responsible for the preparation of this statement in accordance with the *Financial Administration Act* and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial information in the Debt Retirement Account Statement of Transfers and Account Balance of the Province of Manitoba for the year ended March 31, 2015 is prepared, in all material respects, in accordance with section 65(1) (c) (i) of the *Financial Administration Act*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the statement, which describes the basis of accounting. The statement is prepared to assist the entity to meet the requirements of section 65(1) (c) (i) of the *Financial Administration Act*. As a result, the statement may not be suitable for another purpose.

Norm Ricard

September 23, 2015
Winnipeg, Manitoba

Norm Ricard, CPA, CA
Auditor General

DEBT RETIREMENT ACCOUNT STATEMENT OF TRANSFERS AND ACCOUNT BALANCE

For the Year Ended March 31, 2015

	2015	**2014**
Account Balance, end of year	-	-

Notes to Financial Information

1. The Debt Retirement Account was established under the authority of *The Balanced Budget, Fiscal Management and Taxpayer Accountability Act* (Act). The Debt Retirement Fund established under the Act is continued as the Debt Retirement Account. The purpose of the Account was to assist in the orderly repayment of debt pursuant to the Act.

2. Transactions in the Debt Retirement Account are accounted for on an accrual basis. Transfers to the account are made in accordance with Sections 13(2) and 13(3) of the Act. Transfers from the account are made in accordance with Section 14(1) and 14(2) of the Act. The report on these transactions is made in accordance with Section 65(1)(c)(i) of *The Financial Administration Act*.

3. In accordance with subsection 14(2) of the Act, which requires the balance of the debt retirement account to be transferred to the Core Government at least once every five years for the purpose of reducing general purpose debt, the Government transferred $145 million from the Debt Retirement Account to the Core Government on April 14, 2010.

4. Subsection 13(2) of the Act was amended to not apply to those periods falling within the economic recovery period, ending March 31, 2016, and as a result there was no transfer from Core Government operations for the specific purpose of reducing general purpose debt and pension obligations. Consequently there was no transfer from the Debt Retirement Account for the specific purpose of providing for the future retirement of pension obligations in accordance with subsection 14(1) of the Act.

SUMMARY FINANCIAL STATEMENTS CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year ended March 31, 2015

Unaudited

($ millions)

	2015			2014		
	Core Government	**Consolidation Impacts**	**Summary 2015**	**Core Government**	**Consolidation Impacts**	**Summary 2014**
REVENUE						
Income taxes	3,679	-	3,679	3,446	-	3,446
Other taxes	3,537	363	3,900	3,391	332	3,723
Fees and other revenue	568	1,615	2,183	631	1,571	2,202
Federal transfers	3,497	312	3,809	3,525	293	3,818
Net income from government business enterprises	596	303	899	562	221	783
Sinking funds and other investment earnings	-	269	269	-	242	242
TOTAL REVENUE	11,877	2,862	14,739	11,555	2,659	14,214
EXPENSES						
Health	5,427	552	5,979	5,284	422	5,706
Education	2,421	1,218	3,639	2,365	1,197	3,562
Family Services	1,188	(68)	1,120	1,136	(62)	1,074
Community, Economic and Resource Development	2,287	254	2,541	2,161	254	2,415
Justice and Other Expenditures	989	82	1,071	1,053	105	1,158
Debt Servicing	199	642	841	208	613	821
TOTAL EXPENSES	12,511	2,680	15,191	12,207	2,529	14,736
Net Result before Transfers for Debt Repayment	(634)	182	(452)	(652)	130	(522)
Transfer (to) from Fiscal Stabilization Account	55	(55)	-	100	(100)	-
NET RESULT FOR THE YEAR AFTER TRANSFERS	(579)	127	(452)	(552)	30	(522)